

CIRCULAR NEWSLETTER

AN EYE ON THE HOMESHARE MARKET



Tech-Enabled Vacation Rental Platform Circular Hospitality Launches in Central Florida

Circular is a vacation rental platform providing full-service management solutions to homeowners and exceptional experiences to travelers. Co-Founder George Ruizcalderon, who holds experience operating and developing luxury hotels, says “Circular is committed to optimizing care and revenues to homeowners while bringing the same level of service and standards travelers expect in an upscale hotel within the confines of a beautiful and spacious home.”

The company has its sights on becoming a leading vacation rental platform for upscale and luxury homes and bringing an end to what Ruizcalderon calls “vacation rental roulette” by providing homeowners with a transparent, high-quality, full-service rental solution and travelers with a reliable, authentic, and upscale rental experience.

“The industry is filled with thousands of local property managers all operating under different standards and service levels. Travelers are too often cat-fished into booking homes that fall short of their expectations. While property owners are left having their prized possessions managed by local operators that do not care about the condition of their homes and fail to maximize their full rental potential.”

“Prior to onboarding any property onto our platform, we individually inspect every home to ensure its décor, amenities and condition meet our brand standards. If the home passes our inspection, we then invest alongside homeowners to retrofit each property with smart home devices and high-end finishes. We care more than other operators because we invest our capital, our interests are aligned, and our reputation is at stake.”

Circular is entering the vacation rental industry on the heels of a global vaccination campaign and the reemergence of travel. “We are excited about the future of travel and the entire vacation rental industry. As we come out of the pandemic and travelers seek accommodations with more space, privacy, and comfort we believe Circular has an offering that people are looking for.”

For more information, interest in traveling with Circular or having your home managed by Circular, please email stay@thecircularcollection.com, visit the Circular website at <https://thecircularcollection.com/> or text +1 (833) 247-2531.

MARKET UPDATES

TOP STORIES

BLACKSTONE BETS \$6 BILLION ON BUYING AND RENTING HOMES

In a \$6 billion deal, Blackstone Group Inc. has decided to purchase a company that buys and rents single-family homes. The company that they're purchasing, Home Partners of America Inc., currently owns more than 17,000 houses throughout the US. They rent out the homes they've purchased and give their tenants the opportunity to eventually buy the house. This agreement mirrors Blackstone's positive outlook on the future of the US housing market. [Link here](#)

AIRBNB CREATES 'LIVE ANYWHERE' PROGRAMME

Airbnb is launching 'Live Anywhere on Airbnb,' a new program where 12 people from across the globe will be living on properties listed on the home-sharing platform. These 12 diverse participants will provide Airbnb with a better insight as to how they may better their services to better target the traveler's personal accommodations. The program will last from July 2021 to July 2022, with 10 months allocated for travel. [Link here](#)

HOMETOGO PUBLIC VIA SPAC

Berlin-based vacation rental distribution channel HomeToGo partnered with Lakestar SPAC I, a special purpose acquisition company. Both have stated that they would "continue to be in mutually exclusive negotiations with the aim of entering into a binding business combination agreement in due course". This merge would value HomeToGo at \$1.2 billion, but various discussions are still in place. [Link here](#)

VACATION RENTAL MARKET

RISING VACATION HOME SALES

During the pandemic, vacation home sales have rocketed, according to the National Association of Realtors. During the second half of 2020 through April 2021, vacation homes experienced a drastic increase in demand, resulting in higher prices. In 2020 alone, the percentage of vacation home sales out of all existing home sales increased to 5.5%, a dramatic leap from the 0.5% of 2019. [Link here](#)

VACATION RENTAL TRENDS TO KEEP IN MIND

Gladstone Investment, a private equity firm, has teamed up with Aureus Capital and members of their executive management team to develop Nocturne Villa Rentals, a platform for buying and integrating premium vacation rental management companies. Exceptional Stays, a property management firm situated in Telluride, Colorado, was also acquired by Nocturne through its partnering with members of executive management. Exceptional Stays manages around 90 properties in Telluride, Mexico, Spain, France, and Switzerland. [Link here](#)

VACATION RENTAL-THEMED NETFLIX SHOW

With its new show, *The World's Most Amazing Vacation Rentals*, airing June 18th, Netflix is featuring some of the most enticing vacation rentals around the world. It is hosted by Jo Franco, Megan Batoon, and Luis D. Ortiz, all experienced individuals in the world of travel and real estate. The three hosts will visit rentals across the globe, experiencing varying environments and accommodations. [Link here](#)

MARKET UPDATES

APARTMENT RENTAL MARKET

BUILT-TO-RENT SUBURBS POISED TO SPREAD ACROSS THE US

Build-to-rent developments have been up and coming, making up just over 6% of new homes built in the US every year. According to Hunter Housing Economic, this number is expected to double annually by 2024. These subdivisions are built for renters from the start, as the demand for rental homes has increased dramatically over the years. With maintenance mirroring that of an apartment building, the management of these new properties has allowed this new development plan to flourish. [Link here](#)

ALTERNATIVE RENTAL MARKET

OUTDOORSEY PARTICIPATES IN COLLECTIVE RETREATS SERIES C ROUND

Outdoorsy, an RV rental market place, and Collective Retreats, a glamping startup, have partnered together in Collective Retreats' \$23 million Series C funding round. By introducing new services and accommodations, this partnership is challenging the traditional outdoor hospitality market. The partnership will commence on June 15th at Governors Island, New York, offering their service to Outdoorsy travelers staying at a Collective Retreats property. [Link here](#)

CONSUMER TRENDS

WHAT WE ARE SEEING NOW AND WHAT'S TO COME

HOSTFULLY PUBLISHES 2021 VACATION RENTAL INDUSTRY REPORT

Hostfully, a property management platform, has provided research regarding the vacation rental market size. Over 140,000 professional vacation rental management organizations are estimated to exist internationally (VRMCs). According to research, each company maintains an average of 79 properties, and each property spends about \$50 per month on software tools that centralize and automate operations, processes, and the guest experience. According to a 2020 survey, property management platforms (PMP) were the most valuable software that VRMCs employed in their operations.

In a study focused on the effects of COVID-19 on VMRC operations, respondents indicated the following three most preferred softwares, after PMPs, to help "navigate the pandemic": revenue management (20.4%), marketing and distribution (20.1%), and cleaning (20.1%). [Link here](#)

VACATION RENTALS IN THE NEXT 18 MONTHS

Although COVID has greatly impacted the travel industry, research from Europe Assistance and Generali Global Assistance has discovered that 78% of US and EU travelers are willing to book a vacation rental within the next 12 months. The study also suggested that Europeans were more willing to travel further from home, as suppose to Americans who would rather stay in a closer proximity. The study also compares American and European travel habits when it comes to traveling this summer and the upcoming spring. [Link here](#)