

APRIL 2021

CIRCULAR NEWSLETTER

AN EYE ON THE HOMESHARE MARKET



HIGHLIGHTS

MARKET UPDATES (PG.2-3)

Guesty raises \$50M in Series D funding

Vacasa finalizes acquisition of TurnKey Vacation Rental

CONSUMER TRENDS (PG.3)

Short-term rental occupancy rises in U.S. destinations

Pent-up demand in Summer vacation rentals

MARKET UPDATES

TOP STORIES

GUESTY RAISES \$50M IN SERIES D

With the news that Guesty has raised \$50M in Series D funding, Guesty is now the highest-funded and largest property management software fueling the alternative accommodation ecosystem for businesses of all shapes and sizes worldwide. In addition, Guesty also announced that following news of their acquisition of MyVR, they are also acquiring another notable property management software, Your Porter. Your Porter is a Dutch company focused on a mobile-first product for property management companies. [Link here](#)

COMPASS GOES PUBLIC

Real estate brokerage Compass Inc. priced its initial public offering at the bottom of a reduced range to raise \$450 million. Compass has a market value of about \$7 billion based on the outstanding shares listed in its filing. Last year, Compass was involved in residential real estate transactions totaling \$152 billion -- or 4% of the U.S. market, according to its IPO filing. Its revenue jumped 56% from a year earlier to \$3.7 billion. More than 19,000 agents use its platform, the company said. [Link here](#)

SMARTRENT GOES PUBLIC VIA SPAC

SmartRent has entered into a definitive business combination agreement with Fifth Wall Acquisition Corp. Upon the closing of the transaction, the combined company will be publicly traded. SmartRent is the category-leading smart home operating system for residential property owners and managers, homebuilders, home buyers, and residents. Founded in 2017, SmartRent is a proptech company that provides the real estate industry with deeply integrated, brand-agnostic hardware and software solutions. [Link here](#)

NOISEAWARE RAISES \$8M IN SERIES A

Smart Noise monitoring company NoiseAware has announced that it has raised \$8 million in Series A funding, in a round led by S3 Ventures and Thayer Ventures. The investment positions the company, which has monitored over one million stays, to accelerate product innovation and market expansion. With the funding, NoiseAware hopes to build on its foundation in the short-term rental industry, fostering new partnership, launching internationally, and leading the way in smart noise monitoring in the growing sector of multifamily communities. [Link here](#)

VACATION RENTAL MARKET

VACASA & TURNKEY FINALIZE MERGER

Portland-based vacation rental management platform Vacasa has announced that it has closed the transaction under which it agreed to acquire TurnKey Vacation Rental, a technology-enabled vacation rental property manager for premium homes in more than 80 destinations across the United States. The addition of TurnKey's 6,000 vacation rentals to Vacasa's portfolio will increase market density in regions where the company has existing operations. It will also bring Vacasa's full-service vacation rental management to desirable vacation rental destinations. [Link here](#)

APARTMENT RENTAL MARKET

SONDER IS LOOKING TO GO PUBLIC IN A \$2.5B SPAC

Sonder, the San Francisco-based firm, which leases apartments and turns them into furnished, short-term rentals, is in talks to go public by merging with one of Alec Gore and Dean Metropoulos' bank-check firms, Bloomberg News reported. Sonders recently closed a Series E funding round that valued it at \$1.3 billion. If the SPAC merger with Gores Metropoulos II Inc. goes through, the company's valuation could exceed \$2.5 billion. [Link here](#)

MARKET UPDATES

SINGLE FAMILY HOME MARKET

ATLAS REAL ESTATE & DIVCOWEST TARGET A \$1B SINGLE FAMILY RENTAL FUND

A joint venture of Denver-based Atlas Real Estate and DivcoWest, a San Francisco-based investment firm, has joined the Single Family Rental (SFR) exodus with a \$1 billion purse targeted at the sector. The JV plans to invest \$250 million of equity in single-family homes as rentals throughout the Western United States and expects to deploy \$1 billion acquiring and renovating homes in high-growth states. The transaction demonstrates investors' increasing demand for SFR assets, a sector which has grown from individual units owned and rented out by small investors, to large investors acquiring significant portfolios, building new units specifically for rent and crating entire communities. [Link here](#)

CORE ANNOUNCES A \$250M INVESTMENT INTO THE SINGLE FAMILY RENTAL DIVISION

Core Development Group has just announced a \$250 million investment over the next three years to tackle the growing rental supply constraints on housing in Ontario. Positioned to acquire over 180 homes this year alone, Core's vision is to aggregate the largest portfolio of high-quality homes in Canada through its SFR Division of Avaneu, a wholly-owned subsidiary of Core. Through its Avaneu SFR Division, Core Development Group helps address this stagnation in housing completion rates by injecting much needed supply into a corner of the market that has been largely ignored by Canadian developers. [Link here](#)

66% INCREASE IN SINGLE-FAMILY RENTAL CONSTRUCTION

The Pandemic supercharged growth in the single-family rental market. With rising home costs and economic disruption, more people turned to single-family home rentals throughout the US, triggering increased interest from institutional capital and a boom in development. Last year, there were 50,000 new single-family rental homes added to the market, a 66% increase of the average number of new homes built annually over the last decade. [Link here](#)

VACATION RENTAL CONSUMER TRENDS

SHORT-TERM RENTAL OCCUPANCY RISES IN U.S. DESTINATIONS

This time last year, the outlook for travel looked stark, as the U.S. went into lockdown and millions of trips were canceled. Occupancy registered just 47.2% in March 2020, down from 58.2% in 2019. Since then, occupancy has fully recovered, gaining 29.1% vs the same time last year to achieve 60.9% occupancy in March 2021. Even when compared to prior years, occupancy levels are 4.6% higher than 2019, which had been the previous high-water mark.

Spring break crowds heading to coastal destinations drove demand in March with the four highest market occupancy levels coming from Florida. Sarasota registered the highest occupancy of the Top 50 largest short-term rental markets at 77.2%, followed by Cape Coral / Fort Myers (75.2%), Fort Lauderdale (74.1%), St. Petersburg (73.5%), and the Big Island, HI (72.5%). [Link here](#)

PENT-UP DEMAND FOR TRAVEL CREATES PUSH FOR VACATION RENTAL

Across the country, a pent-up demand for travel combined with a loosening of restrictions and more and more people being vaccinated has manifested itself in a massive amount of reservations at motels, hotels, resorts and home and condo rentals. The New York Times noted that domestic reservations on the booking website Hopper were up 58% in March of this year compared to March 2019. [Link here](#)