

MARCH 2021

CIRCULAR NEWSLETTER

AN EYE ON THE HOMESHARE MARKET



HIGHLIGHTS

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Pacaso reaches unicorn status faster than any other US company

Vacasa plans to acquire TurnKey Vacation Rental

CONSUMER TRENDS (PG.3)

Fluctuating bookings and demand for US rentals i

Changing travel behavior and trends

MARKET UPDATES

TOP STORIES

PACASO

Pacaso, a startup that offers shared ownership of residential properties, has raised \$75 million in new capital at a valuation of \$1 billion -- just six months since its launch. The San Francisco-based company said it reached so-called unicorn status faster than any other U.S. company.

- "Second-home ownership was already a dream for families pre-pandemic, but that interest has only amplified with Covid-19 shifting the way people work and live," Allison, Pacaso's CEO, said in an interview.
- The company acquires homes then sells shares in the properties, with a minimum investment of a one-eighth slice of the residence. Owners get to stay in the home for a set number of weeks depending on the size of their ownership, and Pacaso ensures their belongings are switched out upon arrival and departure. [Link here](#)

VACATION RENTAL MARKET

VACASA & TURNKEY

Major consolidation is underway in the vacation rental management sector with Vacasa announcing plans to acquire TurnKey Vacation Rentals.

- The acquisition comes as demand for vacation rentals has accelerated due to the COVID-19 pandemic.
- The TurnKey acquisition will add more than 6,000 vacation rentals to Vacasa's existing portfolio, including homes in premier markets such as Los Angeles and Napa in California.
- TurnKey is Vacasa's 160th acquisition since its founding in 2009. [Link here](#)

AIRBNB & VISIT FLORIDA

Airbnb and tourism marketing corporation VISIT FLORIDA have announced a partnership to launch a campaign for the revival of Florida's tourism industry. Airbnb and VISIT FLORIDA will be marketing to in-state travellers, aiming to attract small groups of family and friends for local trips. From 2019 to 2020, Florida saw a decrease in visitors that totalled around 44.3 million during the worst months of the pandemic. In an effort to bounce back, Airbnb and VISIT FLORIDA's partnership is designed to offer guests safe vacation rental options while also boosting collaborations with local governments and tourism agencies. [Link here](#)

SINGLE FAMILY HOME MARKET

LENNAR

Homebuilder, Lennar Corporation has formed a new single family rental venture with investment giants Allianz Real Estate and Centerbridge. Called Upward America, the company has a \$1.25 billion equity commitment from Allianz and Centerbridge, along with other un-named institutional investors, to acquire single family rental homes in high growth markets across the United States. Including leverage, the Upward America will be positioned to acquire over \$4 billion of new single-family homes and townhomes from Lennar and, potentially, other homebuilders, and rent them to households earning "approximately" the median income in each market. [Link here](#)

APARTMENT RENTAL MARKET

SONDER

Sonder is beefing up its C-suite as it looks to move past a volatile few months for the travel industry. SF-based firm plans to add 700 employees in Montreal by 2025. [Link here](#)

MINT HOUSE

New York-based tech-enabled hotel company Mint House, which provides apartment-style accommodations in downtown areas for high-end business travellers, has secured \$18 million in a new round of investment. [Link here](#)

CONSUMER TRENDS

BOOKINGS AND DEMAND FLUCTUATE FOR US RENTALS IN FEBRUARY

US: Short-term rental analytics and data provider, AirDNA, has released its latest monthly review, in which it revealed short-term rentals in the United States hit two records in February, seeing both the worst performance for demand and the best month for new bookings ever.

Demand for US short-term rentals fell by 27.5 per cent in February, compared to the same time in 2020. This marked the worst monthly performance since April 2020. In stark contrast, new US bookings made in February 2021 surpassed last month's record, which bodes well for performance into 2021's warmer months. [Link here](#)

PENT-UP TRAVEL DEMANDS

American Express released the American Express Travel: Global Travel Trends Report, which provides unique insight into consumer sentiment toward travel nearly one year after the COVID-19 pandemic began. The latest global trends report shows that there is a pent-up demand for travel among consumers, with many people longing for and beginning to plan future trips.

- *Strong Pent-Up Demand for Travel:* 87% of people surveyed said that having a trip planned in the future gives them something to look forward to, 76% of respondents are creating their destination wish list for future travel
- *Rise of The Digital Nomad:* 54% of respondents said that the freedom and flexibility of being able to live and work while traveling the globe is more appealing now than it was prior to the pandemic.
- *Privacy is the New Ultimate Luxury:* 75% of respondents agree that the experiences that offer ultimate privacy is becoming a key sought-after feature of luxury travel. [Link here](#)

AIRBNB'S OVERFLOWING INVENTORY

Airbnb inventory is overflowing with all kinds of vacation stay options as the travel industry looks ahead to a vaccinated population seeking getaways at short-term rental properties rather than at more traditional venues. There are more than 5.4 million active Airbnb listings worldwide, more than double the number in 2017, according to the short-term vacation rental data and analytics firm AirDNA.

Airbnb's inventory is also more than numerous hotel chains combined. Together, Marriott, Hilton and IHG had a total of 3.3 million units available. In February alone, Airbnb's active listings worldwide went up by 2.5 percent compared to the same period in 2020. [Link here](#)

CHANGING TRAVEL BEHAVIOR AND TRENDS

COVID-19 has changed how people travel in addition to the way people work and where they want to live. Airbnb and Vrbo report that travelers today are more likely to stay closer to home. Demand for accommodations that travelers can drive to, rather than fly, has risen, and vacationers are more likely to visit places with outdoor activities instead of urban centers with indoor landmarks and attractions.

Vrbo's newest top emerging destinations align with shifts in family travel behavior due to the pandemic, such as vacationing closer to home and embracing the great outdoors. Both Airbnb and Vrbo saw demand spike in vacation spots close to natural amenities. Airbnb said places like Rodanthe, North Carolina and Forks, Washington, saw surges in reservations for 2021. Vrbo reported that Emory, Texas, Smithville, Missouri and Slade, Kentucky were the site's top emerging destinations for this year. [Link here](#)