

Business Ready Short Term Rentals

Performance, Insights & Event Impact Analysis

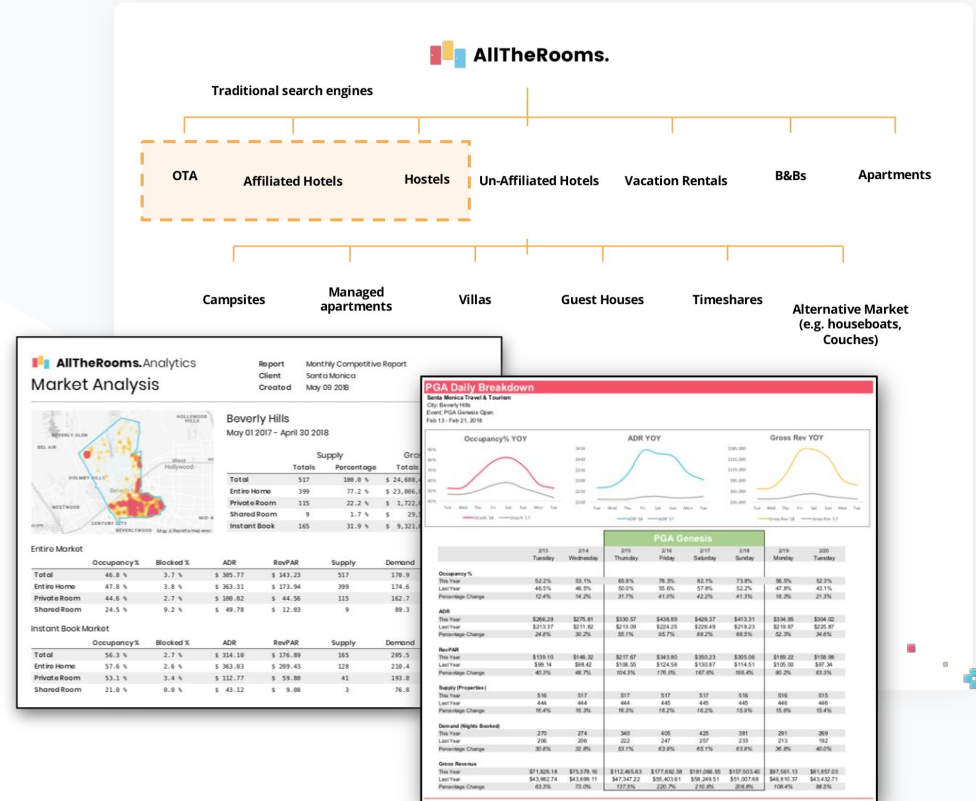


About Us

AllTheRooms' mission is to aggregate and catalogue every room on the planet.

Every room, everywhere – what we like to call from couch to castle.

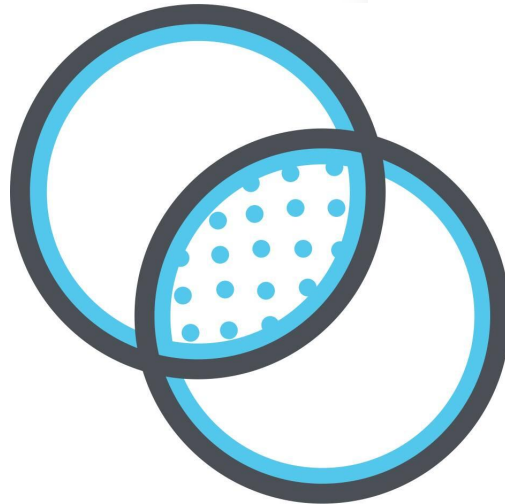
We have a complete view of what is taking place across the entire accommodations spectrum.



The future of travel and work: How technology is blurring the lines and disrupting the industry.

Overview

- Introduction
- Business Ready STRs in Urban Markets
- Business Ready STRs SXSW Event Impact & Performance



Introduction: Trends in Business Lodging

How is the future of work, corporations, and travel, shaping the lodging and accommodation industry?

We are seeing technology transform all travel, including business travel.



Source: <https://www.phocuswire.com/New-tech-power-smarter-business-travel>



Key Trends

- Serviced Apartment Use Increasing
- Hotel Compression Nights Decreasing
- Corporate Travelers Shying away from Sharing Economy Suppliers

Business Ready STRs in Urban Markets

Entire-place listings with essentials for business travel:

- Self check-in/Keyless Entry
- WiFi
- TV
- Iron/Laundry
- Hangers
- Workspace
- Carbon Monoxide & Smoke Detectors.

Why do we look at this?

- How do they perform, and what is their growth?
- How has their growth and performance compared to other segments?
- Are Business Ready STRs a threat to traditional business travel lodging and accommodation?

Are business travelers increasingly looking for alternative accommodations? Convenience and consistency are key factors since lodging decisions are increasingly delegated.

Observations

- Supply and RevPAR have grown on average 83% and 14 % YoY, respectively (2017 to 2018)
- This is 76% more supply growth and 46% higher RevPAR growth relative to other STRs
- They have on average 20% higher ADRs, twice the occupancy, and 134% higher RevPARs

Business Ready Listings perform better than, and out-pace growth of, all other STR types: Their advantage is not caused by business travel, but rather, we see more hosts meeting professional standards, leading to better performance

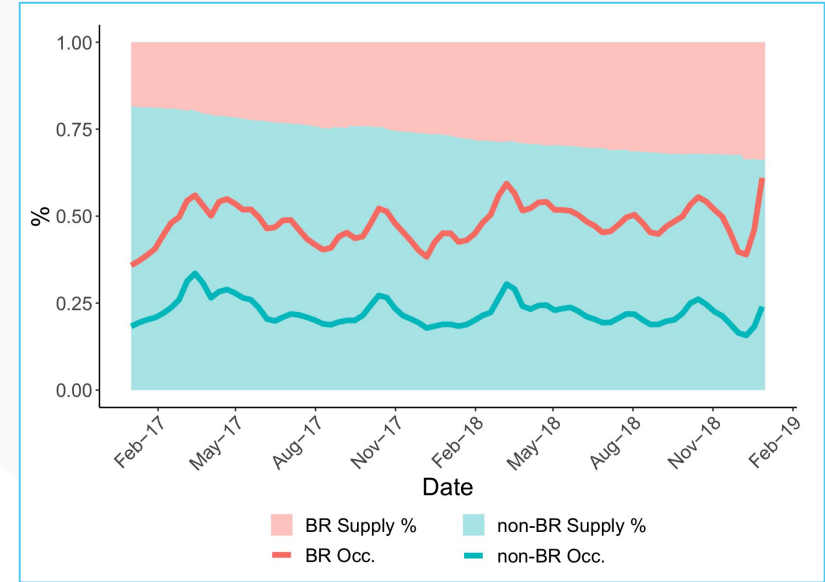
Significance

- Increased demand for Business Ready Listings
- Higher RevPAR bodes well for continued growth in market share
- BRLs are not exclusively for business travellers, but are booked by a cross section of customers. They are by definition higher quality, therefore better performance is expected

Case in Point: BR Listings in Austin, TX

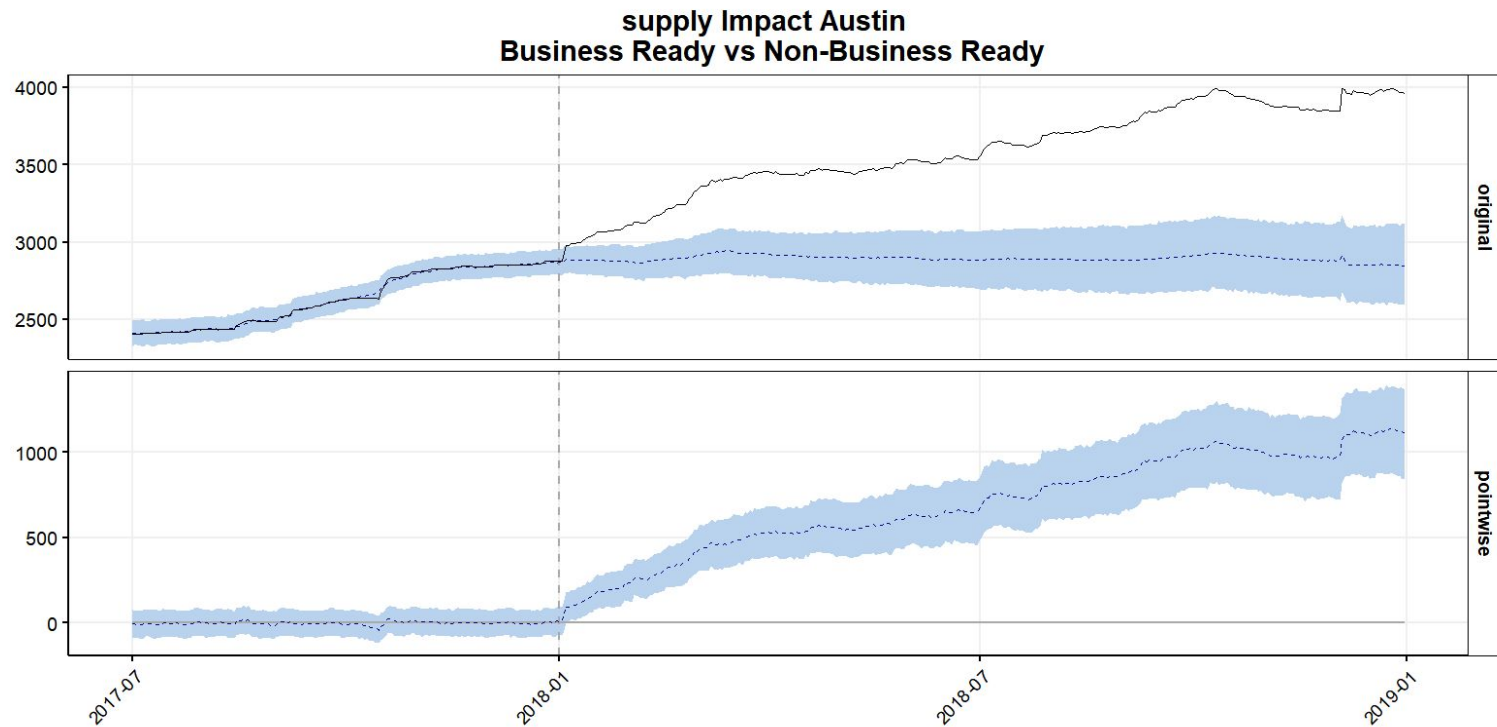
Business Ready STRs out-perform other listing types in 12 of 14 metrics across the following categories:

- YoY Growth
- Relative Growth to other types
- Performance compared to non-Business Ready STRs



	Supply	ADR	Occ	Revenue	RevPAR
AVG YoY Growth	52%	-4%	11%	66%	9%
Relative Growth	50%	2%	17%	80%	20%
AVG Performance Difference	--	16%	115%	-6%	154%

Case in Point: Austin, TX Business Ready STRs Out-perform anticipated growth



Business Ready STRs Event Performance

- We performed a Casual Impact Analysis on Austin, TX during the SXSW conference
- Would Business Ready STRs superior performance hold during times of extreme market demand for lodging and accommodation?

How we can use this:

- To determine how a large event impacted the performance of the STRs
- Understand how the performance of STRs during events may impact the overall market



Image source: www.sxsw.com

Business Ready STRs Event Performance

SXSW Impact	Intra Austin BR vs non-BR STRs**	Austin BR vs Other 4 Texas Cities BR
Occ	-9.0%	-2.4%
RevPAR	- \$29.51	\$32.16

Numbers show the difference between what was expected and what was observed

**Statistically significant and can be attributed to SXSW, rather random fluctuations

Observations

- This large event impacted the performance of the STRs disproportionately
- Does the performance of STRs during events impact the overall accommodations market?

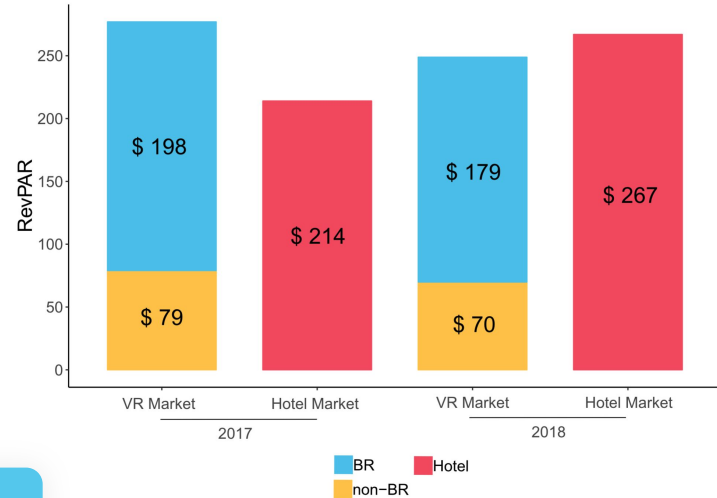
Business Ready STRs underperform during events: Despite their absolute and relative growth being strong across the markets, as well as indicating superior performance otherwise.

SXSW Stats

SXSW Economic Review	2017	2018
Attendance	285,000	289,000
Conference Attendance	70,696	75,098

STRs experience negative YoY growth overall, despite steady conference attendance numbers:
Hotels and traditional lodging maintain steady growth.

March YoY RevPAR Comparison – Austin, TX



Conclusion

- Business Ready Listings performed significantly worse than expected during SXSW both by RevPAR and Occupancy
- Performed better than other Texas cities by RevPAR, but not by occupancy, suggesting ADR spike

SXSW contributes to high lodging demand, compression nights, and significant revenues:
Business Ready Listings underwhelm. Signals strength of Alternative Lodging value prop

Takeaways

1. BRLs show performance gains across multiple markets
2. BRLs underperformed other STRs during SXSW
3. Although STRs appear to be threatening business travel, the impact has not been observed yet in this particular case-market

**Wondering if this trend will
continue this year?**

**Stay tuned for the 2019
update.**

Questions?