

Managers vs Rent by Owner

This presentation is positioned as a debate. No shouting, please raise your hand!

Viewpoint

Your opinion is largely based on a number of factors:

- Your type of business
- Your location
- The power of the OTAs
- Local restrictions on rentals
- The capacity to find service providers
- Your experience
- Your history
- Your personal bias



It's a big world

The industry expects a further 5m rentals to be needed over the next 5 years to meet demand

[Google 2021 travel searches](#)



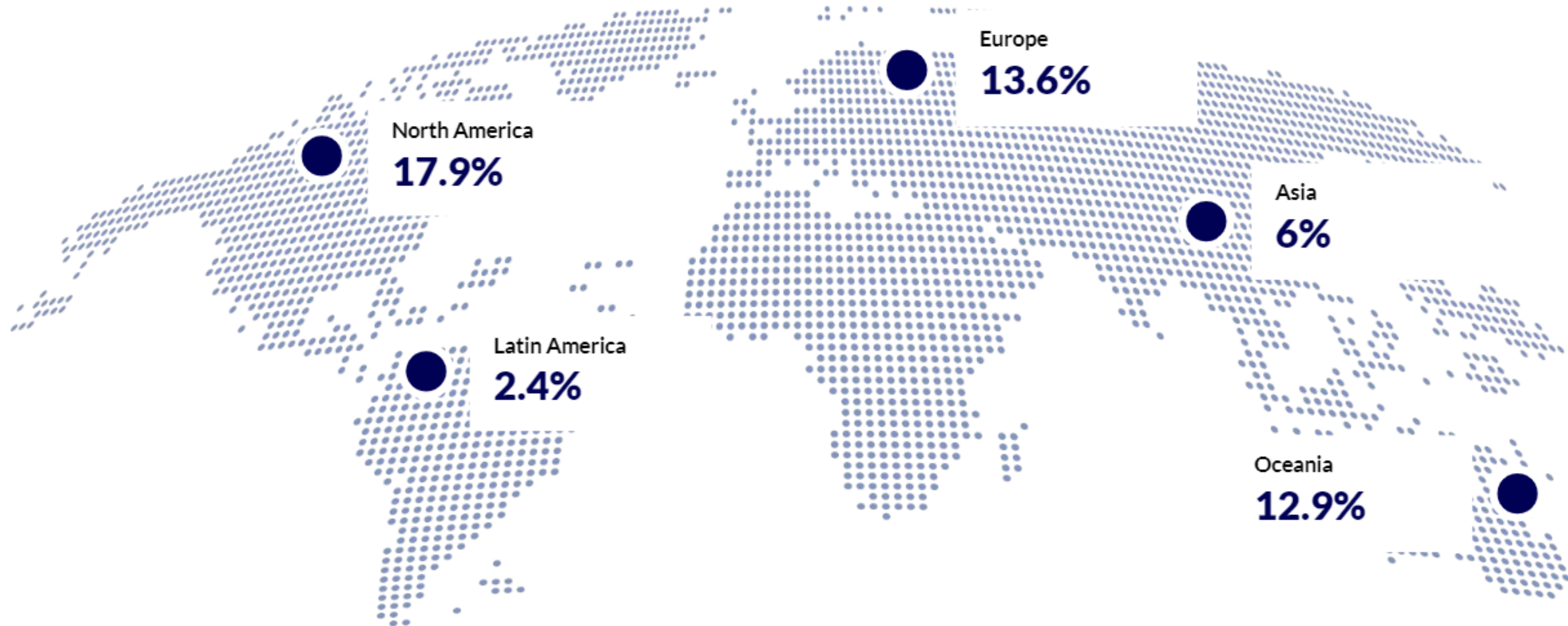
100,000
MANAGERS

15M
PROPERTIES

Worth
\$ 150bn

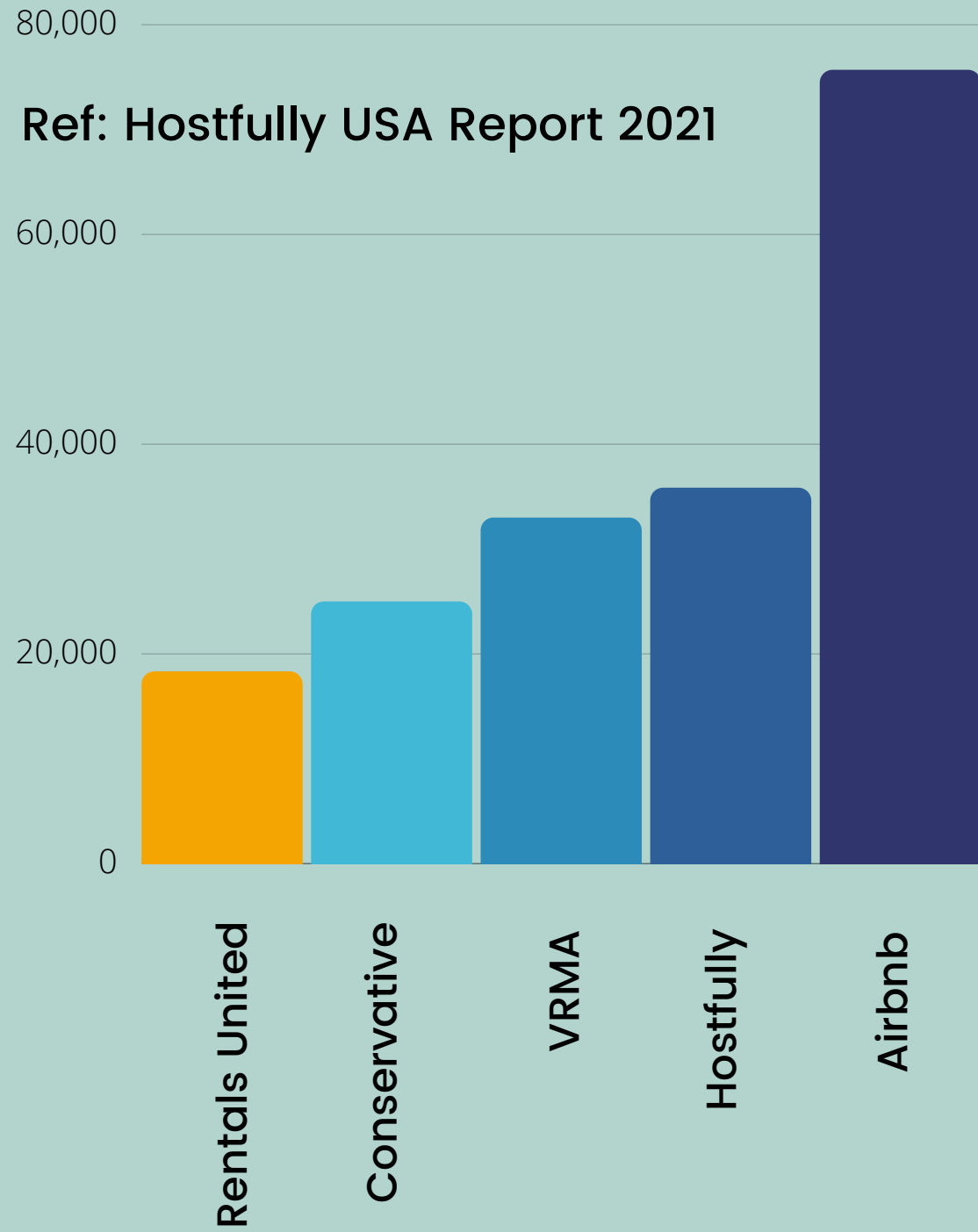
Global vacation rental management fragmentation varies hugely globally

% of Airbnb supply managed by hosts with 50 or more properties in June 2021 by world region

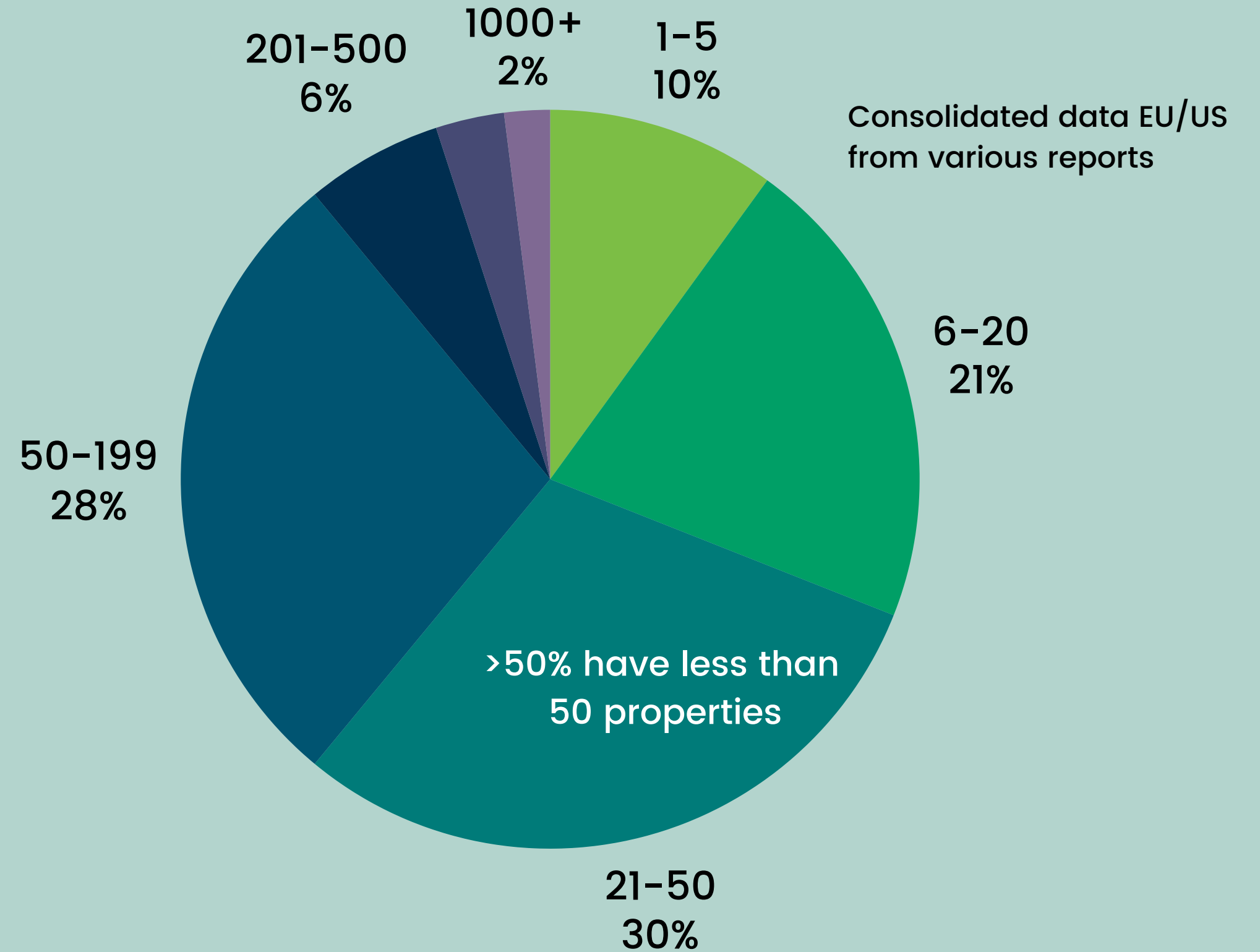


North America shows the highest degree of professionalization of our world regions with almost a fifth of inventory managed by 'large' hosts. Europe & Oceania aren't far behind with 14 & 13% respectively. Asian and particularly Latin American supply remains much more fragmented.

Number of Managers



Inventory by Manager



Hyperlocalisation

A satellite view of Earth from space, showing the curvature of the planet and the dark blue of the oceans. The landmasses are visible in shades of brown and green, with a dense network of cities and towns appearing as small white and yellow dots. The background is the blackness of space.

10,000 Cities

500,000 Towns and villages

38.9m flights in 2019 globally

1 billion cars by 2030

700,000 Hotels

16m Rooms

NO SINGLE BUSINESS MODEL

● THE HUNTERS

● THE HUNTED



Super Managers
000'S OF PROPERTIES
MAX 2%



LOCAL PRO MANAGER
100 PROPERTIES
(Regional)



LOCAL PRO MANAGER
100 PROPERTIES
(Urban)



AIRBNB PRO
5 PROPERTIES
(Urban)



FAMILY HOMES
(Regional)



PRO OR AMATEUR INVESTOR
(Urban)



HOMESHARING
(Urban)

Super Manager



30,000 exclusive properties

150+ Acquisitions average 166 units per company (prior to Turnkey)

400 Destinations

1% of the US market, no EU penetration

35% Direct Bookings
Full service funded business



**EVERYTHING
IN BETWEEN**

Small Manager

No Brand

Small numbers of properties

Growth by "Slog"

Single Destination

<00001% of the market

No direct bookings - All OTA

Sub-contract services

Technology hacks

Variable customer service

A Managers Pitch

- We are full service or..
- We are marketing only
- We look after your property
- We distribute to OTAs
- We handle guest complaints
- We take the money
- We are technology centric
- We are local experts
- We have loyal customers
- We handle guest enquiries
- We handle all automation
- We are masters of pricing

We provide a personal service!
We do it all!



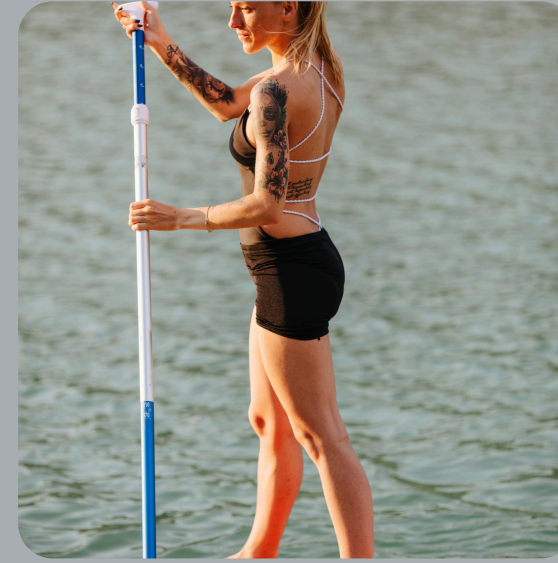
Managers challenges

- Automated door entry - less meet and greet
- Monitoring devices: Noise, air quality, cameras...
- Remote inspection of cleaning and quality management
- Guests increasing expectations and owner investment
- No damage deposits, multiple payment options
- More flexible booking arrangements
- Accommodation with a focus.
- EAT, Page Experiences, Rev Management, Guest books etc
- Technology to manage it all.



Travel is changing

Can managers compete?



**Sprint
breaks**

**Glampervans,
Treehouses**

**Digital
Nomads**

**Sustainability
& Eco rentals**



**Domestic
Interest**

**Outdoor
Interests**

**Train or
Drive**

**Super Luxury
Islands**

Can small localised managers survive?

Do you have a modest number of properties?

- All will need to spend more on running a business and become more educated.
 - PMS/channels/apps/connected hardware
 - Compliance and standards
 - Google Page Experience booking demands
 - Staff and operational costs
 - Payment solutions and more variable booking times
 - Marketing



OWNERS PRIORITIES



5 million properties needed over 5 years

The demographics are changing, properties are increasingly commercial enterprises and owners are increasingly more tech savvy and brand aware.

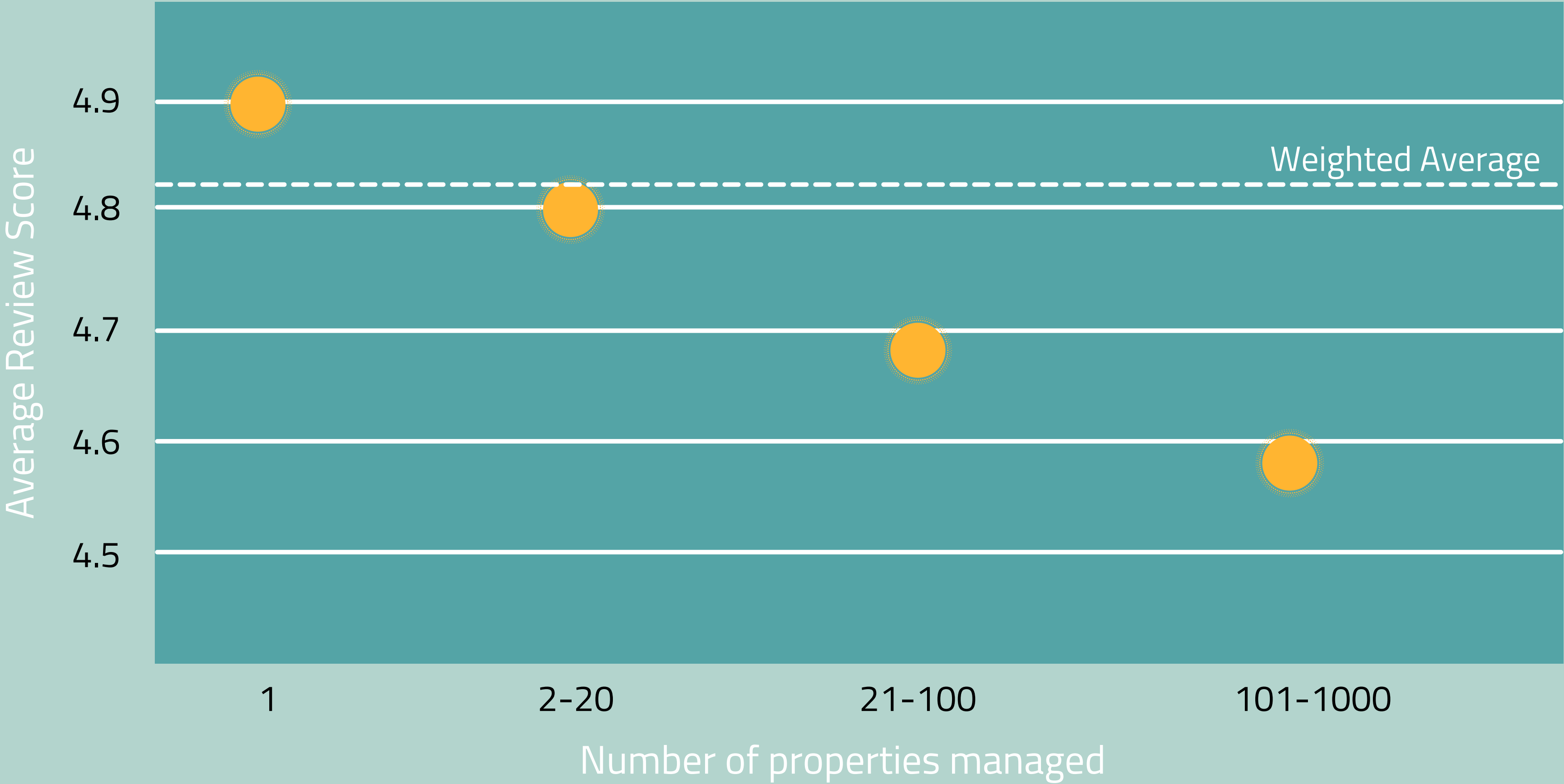
GUESTS PRIORITIES

 Owners and Guests are often aligned

Owners want a well run operation and to maximise income based on great guests and a well managed property.



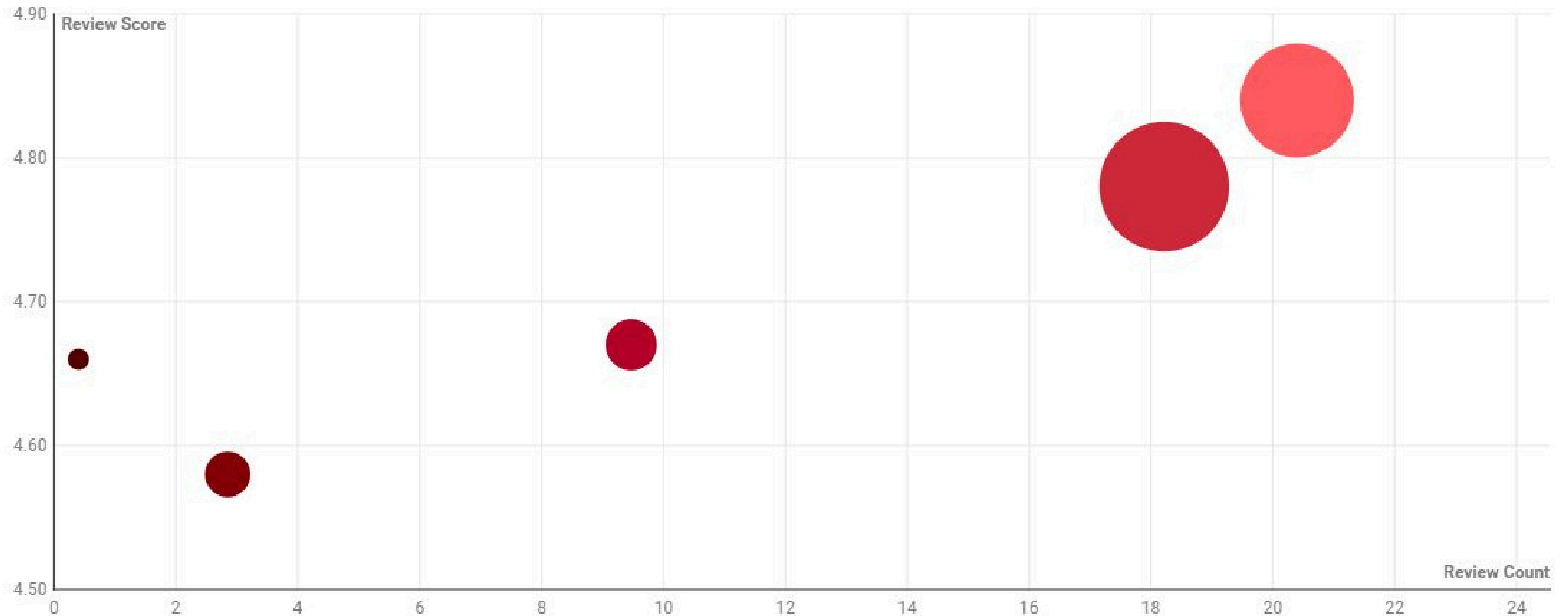
Guests prefer owner-managed properties



Average review score and review count by owner size

The size of the circle indicates the total number of listings in the cohort.

● 1 Property Owner ● 2 to 20 Properties Owner ● 21 to 100 Properties Owner ● 101 to 1,000 Properties Owner ● More than 1,000 Properties Owner



Source: seetransparent.com - [Get the data](#) - Created with [Datawrapper](#)

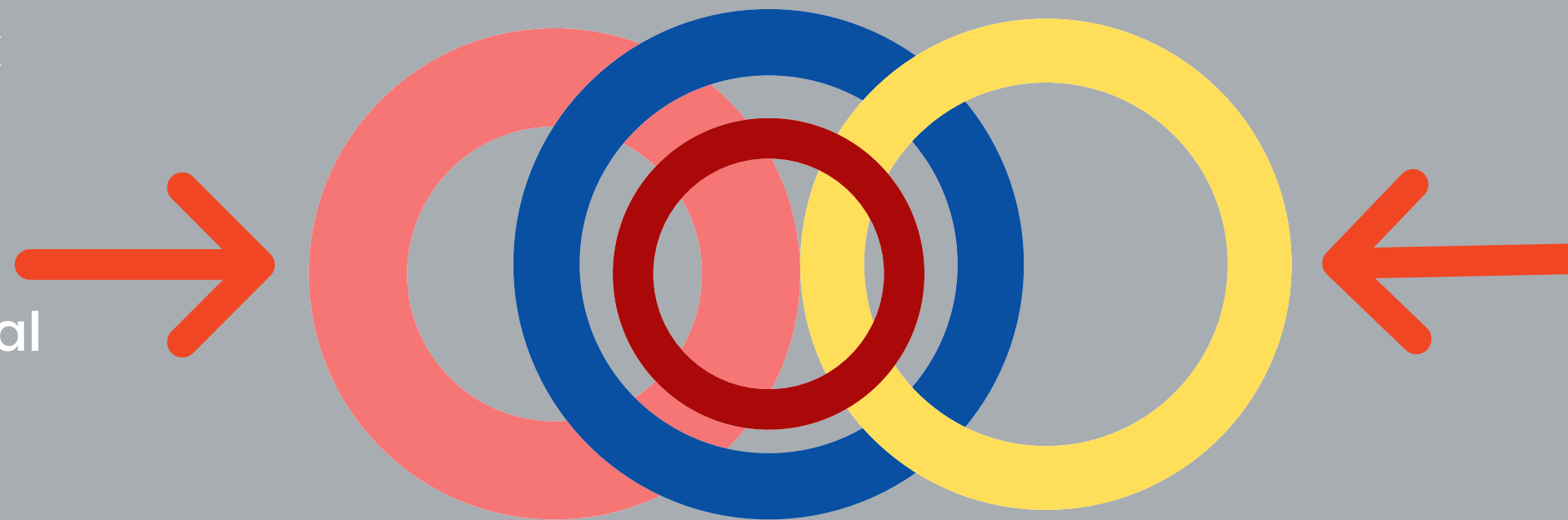
Who is more popular with OTAs



Global Brands with huge choice & trusted



- Raise prices in channels
- Throttle inventory in peak season
- Take booking money
- Offer alternative additional upsells
- Remarket directly to past guests
- #Bookdirect supporters
- Harder to force change



- Dependent on OTAs for booking
- Less likely to throttle inventory or block peak weeks
- Less technically aware
- Booking income managed at source
- #Bookdirect minority
- Easier to force change

CEO Comments

01 Airbnb

Made Possible by Hosts campaign, to target and recruit more Hosts And so this has worked really, really well.
~ Brian Chesky, CEO Airbnb (2nd Qrt. Results 2021),

02 Expedia/VRBO

Absolutely. Brian's never wrong. I mean, just ask him.....VRBO
INCENTIVE PROGRAM: Well, I think the program has been a huge success.
~Expedia Group CEO, Peter Kern. Skift Interview (Aug 2021)

03 Booking.com

We're pleased with gaining some share with some of our professional managers, that's going well.
~ Glenn Fogel CEO (2nd Qrt. Results 2021)



Imagine you are a new owner

Books at \$100,000 per year. 35 Cleans @\$120 per time (inc. Linen)



~ 25% Management fees

~ 15% OTA fee

= \$60,000 net to owner

excl. other fees.



~ 0% Management fees

~ 3% Airbnb fee

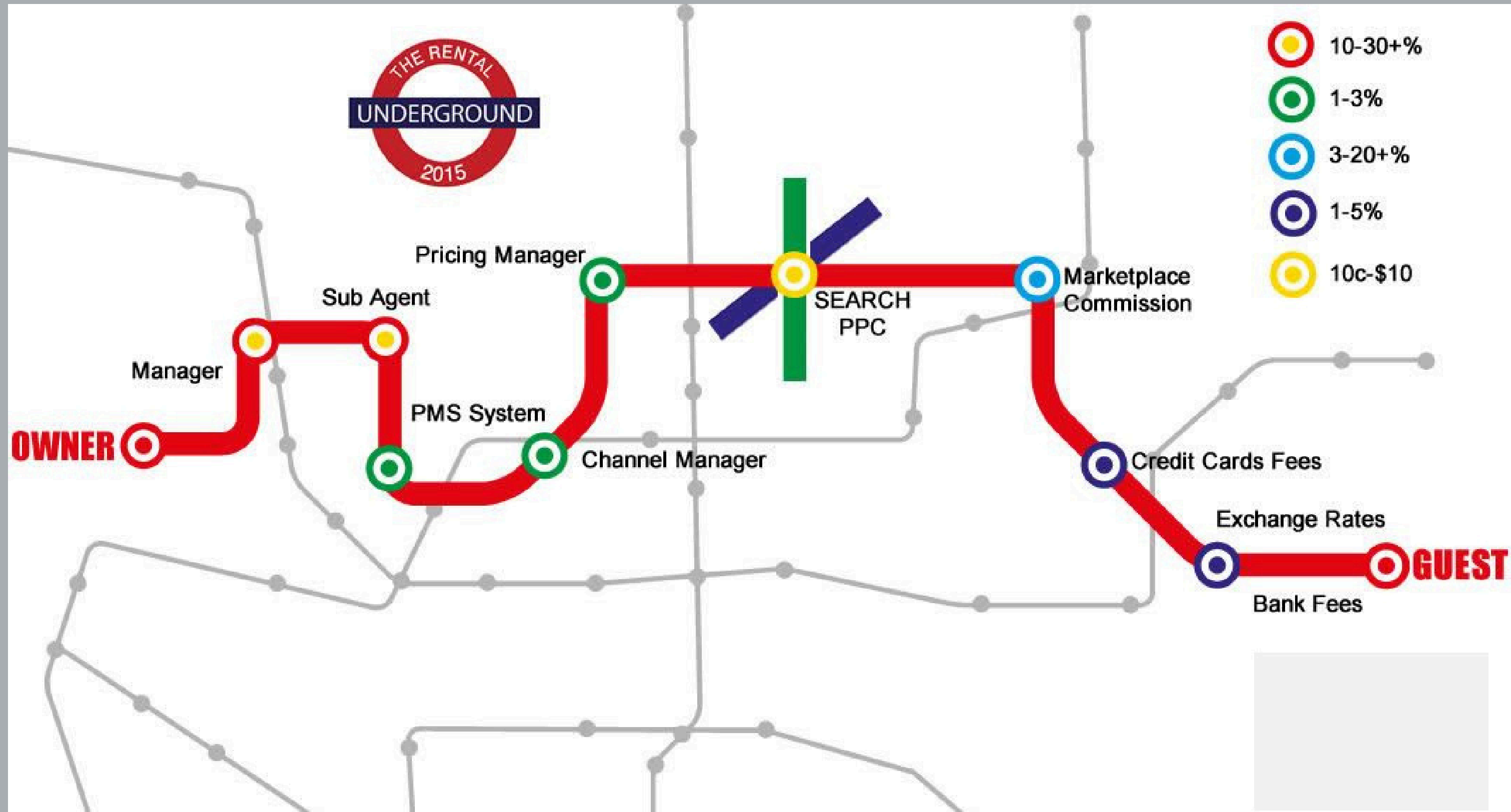
~ \$4,200 in Cleaning

~ \$800 in call outs

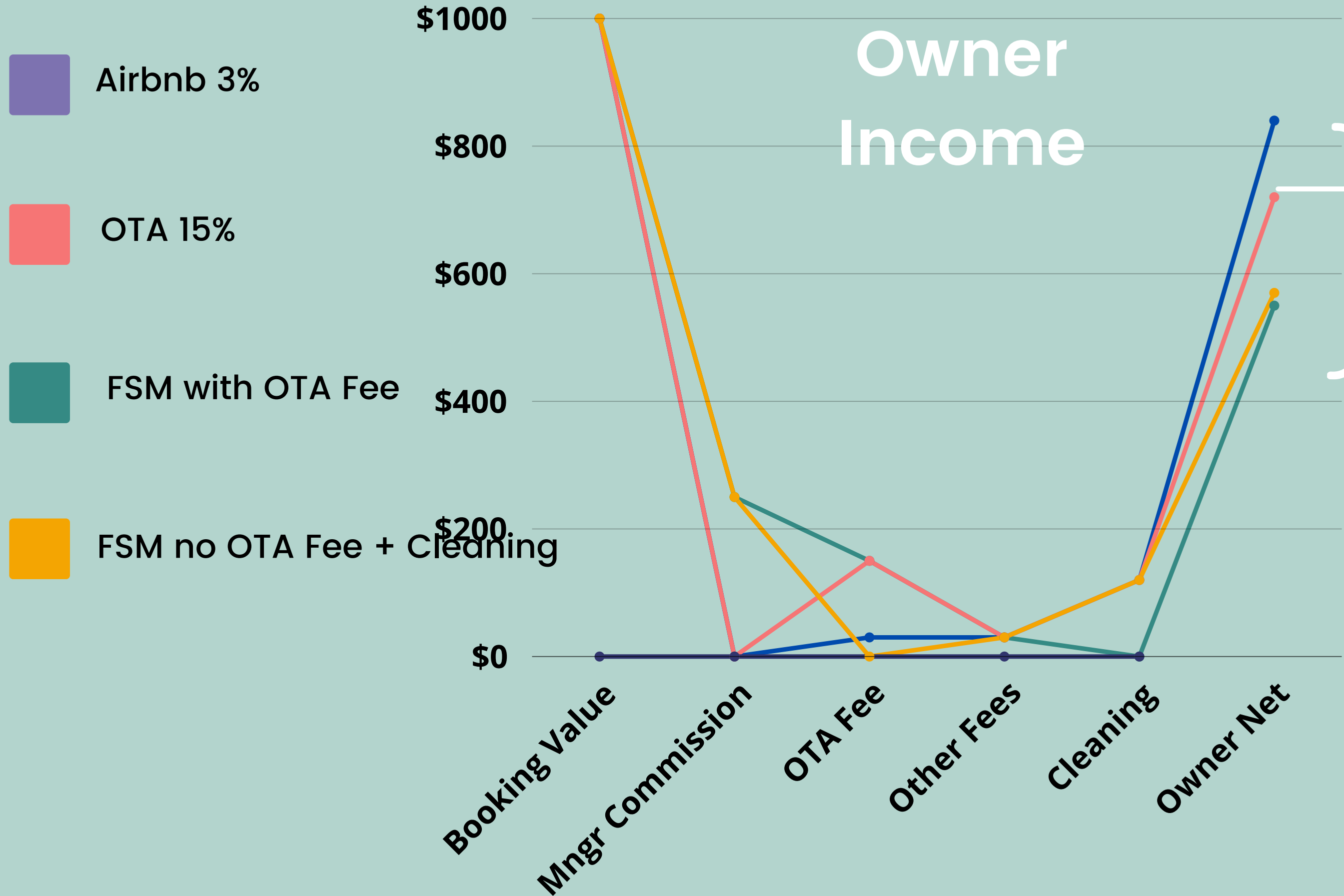
= \$92,000 net to owner

There is not enough money in the booking channel to satisfy everyone!

October
2016!



Owner Income



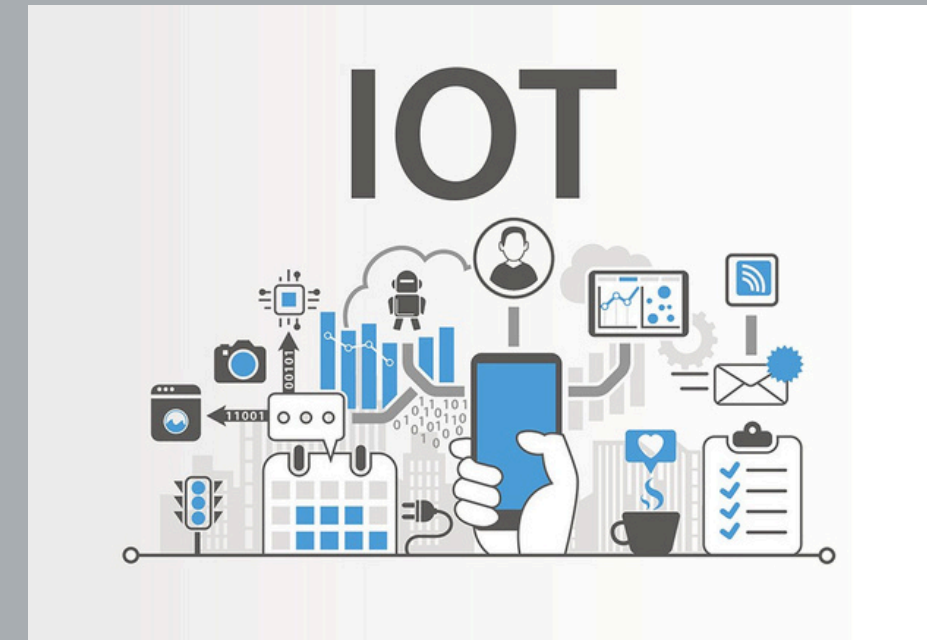
\$290 or 29%
of Booking value

%22

Guests are price conscious
Guest like immediacy
Guests want trust
Guests want choice
Guests like good reviews

The Future of traditional management?

- Large Marketplaces/OTAs with an owner focus
 - Super managers/agencies with scaling resources
 - Services who make additional money by distribution
- ↓
- Owners who use a trusted OTA or two to deliver all bookings and use professional teams to manage plus bots, online information, guest apps, in-house smarts.

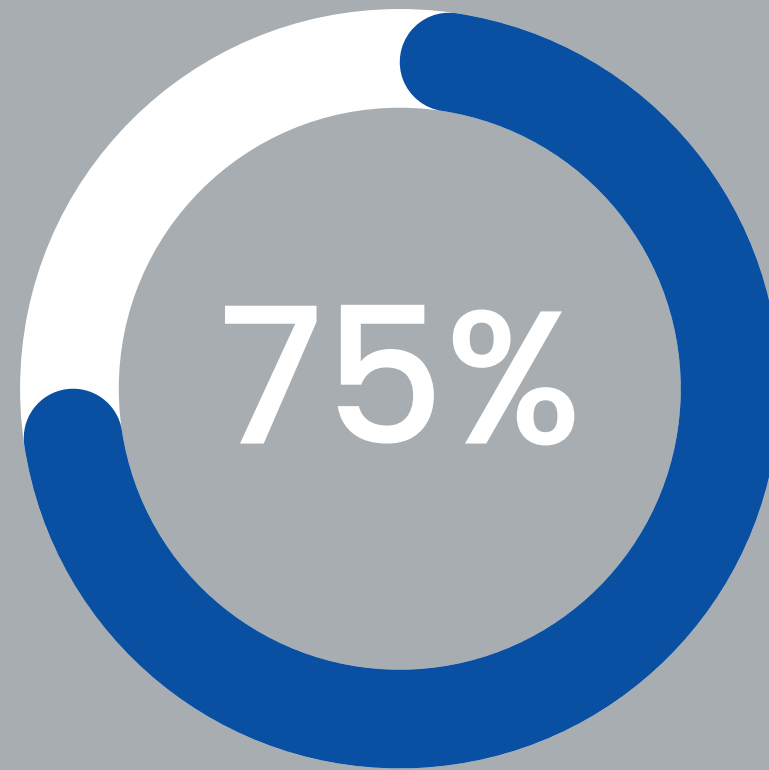
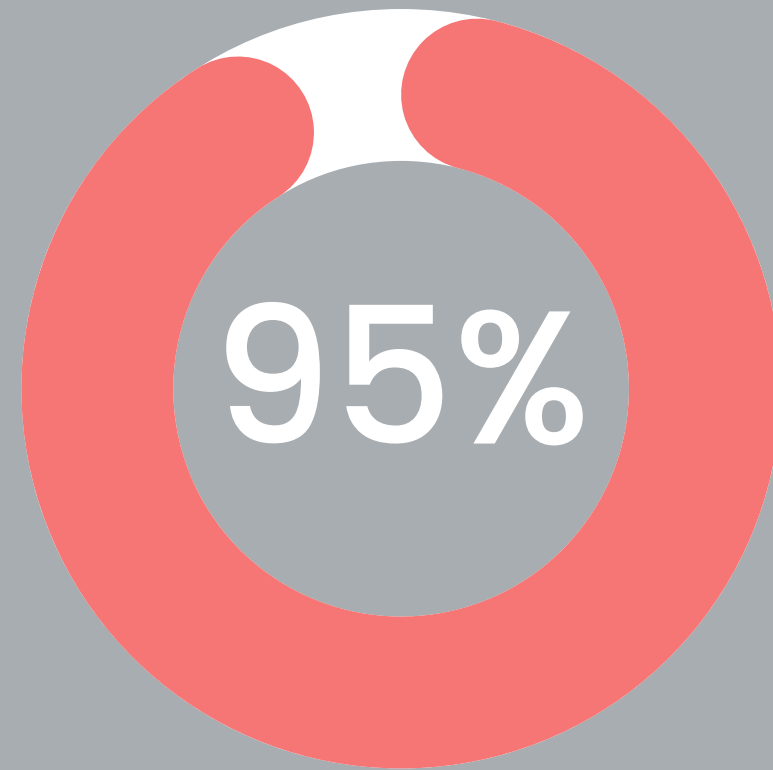




Thank You
Don't throw tomatoes please

The Manager Challenge

A snapshot of brand strength



- **Belong anywhere**
- **Planet Earth's #1 Accommodation site**
- **Where you book matters**

I stayed in... ???