

2025 STR M&A Report

YESCONSULTING 



GLOBAL SHORT-TERM RENTAL M&A & INVESTMENT REPORT 2025



CONVERGENCE OF PROPERTY, TECHNOLOGY, PEOPLE, & AI

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The images are generated automatically by AI from the text and reflect this year's mega trend.

Executive Summary

The year’s activity illustrated the trend that capital is deployed not merely for asset count any longer, but for defensible technology and efficient operational structures.

The 2025 global flexible accommodation sector, encompassing STRs (Short Term Rentals), VRs (Vacation Rentals), MTRs (Mid Term Rentals), and Serviced Apartments (SA), underwent a transformation defined by two forces: **1. Strategic consolidation of inventory and technology, 2. The failure of high fixed cost operating models**

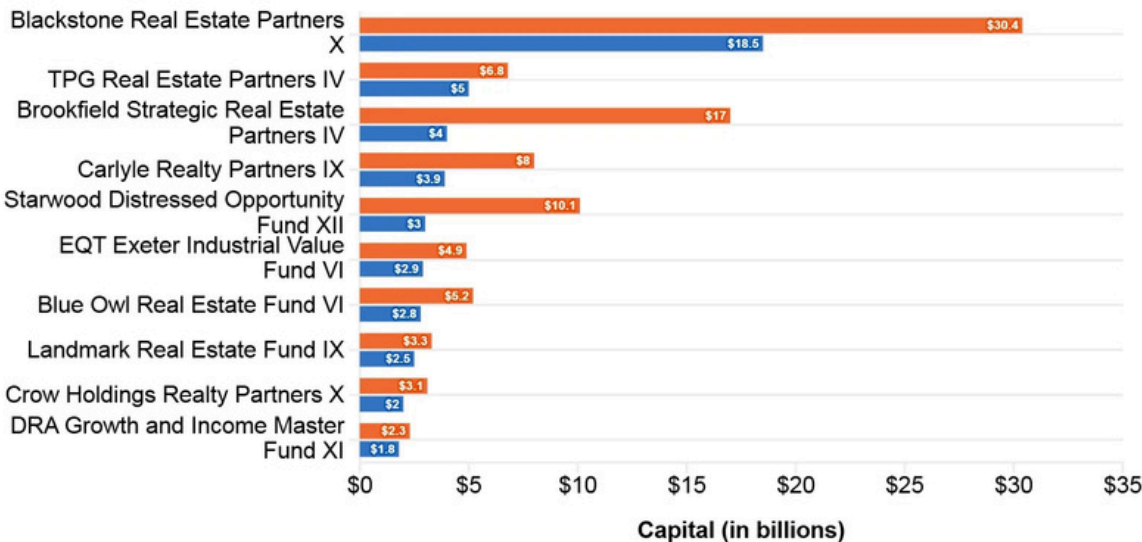
Private Equity (PE) firms, with commercial real estate dry powder exceeding \$350 billion, are apparently facing deadlines to deploy capital raised after 2020, targeting alternative operational asset classes, such as professionally run flexible accommodation.

Intensifying STR regulation is forcing institutional capital to favour the resilient serviced-apartment, flex model approach and apt/hotels, as well as consolidating, now AI-centric, tech operating systems.

This model, although often based on asset ownership or increasingly long-term management agreements, offers the flexibility of short- and mid-term stays while mitigating the regulatory friction and volatility that plague pure-play distributed urban STR operators and, to an increasing degree, the leisure sector too.

Top 10 funds with the most dry powder

Fund size Dry powder



Source: CoStar Group, June 2025
Chart: Parker Leipzig



Key Transaction Highlights



Key Transaction Highlights and Sector Capital Highlights

The year’s activity illustrated the trend that capital is deployed not merely for asset count any longer, but for defensible technology and efficient operational structures with an AI flavour.

Company	Round	Value	Strategic Insight
Hostaway	Valuation Milestone	\$1 Billion Valuation	Quoted as a “PropTech Unicorn”. Confirms the PMS is a critical and defensible infrastructure layer, specifically valuing software capable of AI-driven operational efficiency and labor reduction.
Casago / Vacasa	Strategic Acquisition	\$130 Million (Assets)	Definitive Consolidation. A transition from a centralized, high overhead model (Vacasa) to a decentralized, asset light franchise model (Casago). Acquisition of scale followed by strategic dissolution and redistribution.
Flataway	Pre-seed funding round 	\$800,000	Eleven Ventures and Angel Invest, Staycy uses conversational AI to generate fully branded, conversion-optimised websites that integrate natively with property management systems. Note: AI focus
Wander	Funding Round	\$50 Million	Luxury STR Resilience. Sustained institutional capital for the high-end sector, which is less vulnerable to mass-market price compression and regulatory friction. An AI and tech and luxury play.
Boom	Funding Round	\$12.7 Million	Agentic AI Automation. Precision investment to accelerate "agentic AI tools that automate 80% of guest and operational communications for measurable labor cost reduction and business intelligence to increase productivity, measure success and be the intelligent 24/7/365 data source of truth. Note AI focus

Strategic Landscape



Regulatory uncertainty remains the primary external risk impacting valuation models. The technology stack has become a defensive capital expenditure. Markets with stable and predictable regulatory frameworks command higher valuations. Buyers favour operators who have integrated and managed compliance with local governance requirements, and this trend will accelerate as reporting income and taxes to regional and national bodies increases.

The Mid Term Rental (MTR) segment and institutional Serviced Apartments (SA) are, depending on geography, sometimes viewed as the "goldilocks zone," balancing higher revenue potential with the lower regulatory volatility of long-term leases, making them a target for institutional funding, and we are witnessing STR gravitation of inventory. However, even MTS and SA can be challenged, as evidenced by Barcelona's recent announcements on enforced rates for MTRs and threats of a full ban on STRs.

OTA Arbitrage Management

The shift to Airbnb's flat 15.5% in the US, with connected hosts' fee as connectivity increases, aligns with the acceleration of the use of advanced, integrated technology, even for small hosts. Europe was already in this frame from 2020. Static pricing models are obsolete, forcing operators to leverage software for dynamic revenue management to maintain margins and increasingly automate all functions.

Artificial Intelligence & Tech Operating Systems

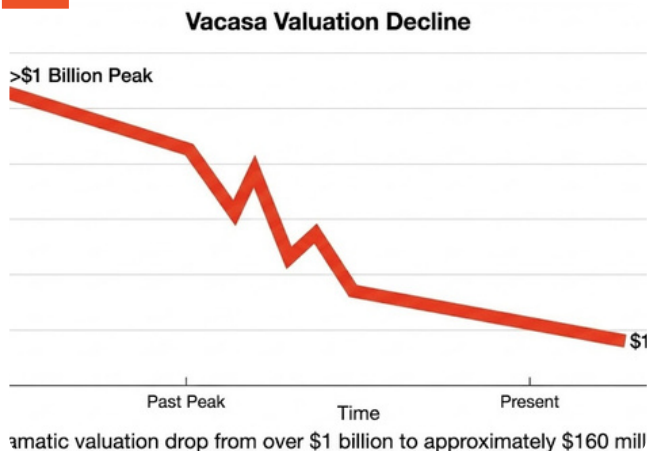
Artificial Intelligence (AI) is now foundational, with AI copilots managing a high percentage of complex guest communications, improving margin integrity, reducing staff time on repetitive tasks, and increasingly becoming a crucial factor in M&A valuation and tech investments. Human VAs are also gaining wider adoption and are seen by operators and staff as more profitable and controllable, especially in countries with high social contributions and stringent employment laws.

Operator Consolidation

The Casago/Vacasa transaction was the most consequential operational M&A event of 2025, validating the strategic shift from centralised, venture-backed models to resilient, decentralised franchise structures, a well-worn and accepted US commercial model. The immediate post-acquisition strategy was a rapid digital overhaul and technology integration.

Casago partnered with Breezeway for operational workflows and with Wheelhouse for algorithmic revenue management, and offered franchises an option for PMS systems. This confirmed that standardisation through specialised PropTech is not optional but a critical requirement for successful, large-scale consolidation, and also highlighted local diligence, support, and focus.

Local vs Central “Control”



VACASA

From \$1bn+ to 160m

History: Built scale through a centralised, salaried, high-overhead management model. Became one of the largest operators, but relied on continuous funding and eventually a SPAC. Its high-fixed-cost structure (salaried staff, overhead) proved unsustainable, failing to deliver profitability at scale when labour costs and regulatory complexity escalated and without local controls.

The Target: Acquired for its inventory and management contracts (c.40,000 properties), not its operational infrastructure. The sale was a strategic liquidation of a flawed operational model. Asset-light inventory was sold to Evolve, and full management-structure businesses are rapidly becoming new franchises or being adopted by existing operators.



CASAGO

Asset light, Owner Centric

History: Built on a decentralised, asset-light franchise model, placing management responsibility and labour costs onto local partners.

Strategic Strength: Operates with high capital efficiency, local market agility, and the human touch of “skin in the game”, mitigating corporate risk.

Action: Acquired massive scale and immediately began to dissolve and redistribute the portfolio through its franchise network.

This move proved the asset-light approach's superiority and resilience for large-scale integration. *The question remains whether this model would work at scale in Europe.*



Asset Heavy Failures



The **Sonder** collapse in November 2025 was the definitive, catastrophic end for the high-fixed-cost operating model, offering a profound lesson in structural business risk. As with Stay Alfred and Lyric during COVID, the model is always in jeopardy in a volatile economic and legislative environment, on top of a global pandemic!

Model History & Flaws	Liquidation & Strategic Implication
<p>History: Grew rapidly, once valued at \$2.2 billion via a SPAC, based on the promise of disrupting hotels with a tech-forward, apartment-style stay. The master-lease model, signing long-term, fixed-cost leases on commercial properties in expensive urban markets, created a high fixed liability.</p> <p>This fixed cost could not be sustained when variable revenue fluctuated due to regulatory changes and market downturns, particularly due to COVID. Early expansion into Europe was also a mistake, with a lack of global knowledge on business approach and development.</p>	<p>Liquidation (Chapter 7) immediately ended all U.S. operations following the termination of its crucial Marriott partnership.</p> <p>The collapse is a definitive rejection of the asset-heavy, fixed-cost operational model, demonstrating that scale offers no mitigation against structural business model risk, and it also reflects legislative challenges to leasing non-hotel-licensed premises in highly populated urban centres. The Marriot fallout was significant at a guest level.</p>

Fragility in Adjacent Sectors and the SA Resilience Contrast

The fragility has extended to adjacent sectors: Homelike, a prominent European mid-term rental startup, shut down after a decade in July 2025. This indicates that even the MTR segment, while apparently a modest regulatory haven, presents operational complexities that can be fatal.

Despite achieving \$100 million in bookings in 2023, Homelike was not profitable. It posted a €4.8 million loss in 2022, an improvement from the €6.9 million loss it recorded the year prior. By early 2025, it had 70,000 properties across 450 cities in Europe.

This persistent unprofitability meant the company was entirely reliant on venture capital. Tough Funding Environment: The period between 2022 and 2024 saw rising interest rates and cautious investors, making it difficult for unprofitable companies like Homelike to secure further funding. The company raised a total of \$32m.

Urban-centric STR and MTR businesses, even at scale, are increasingly challenged.

Strategic Changes

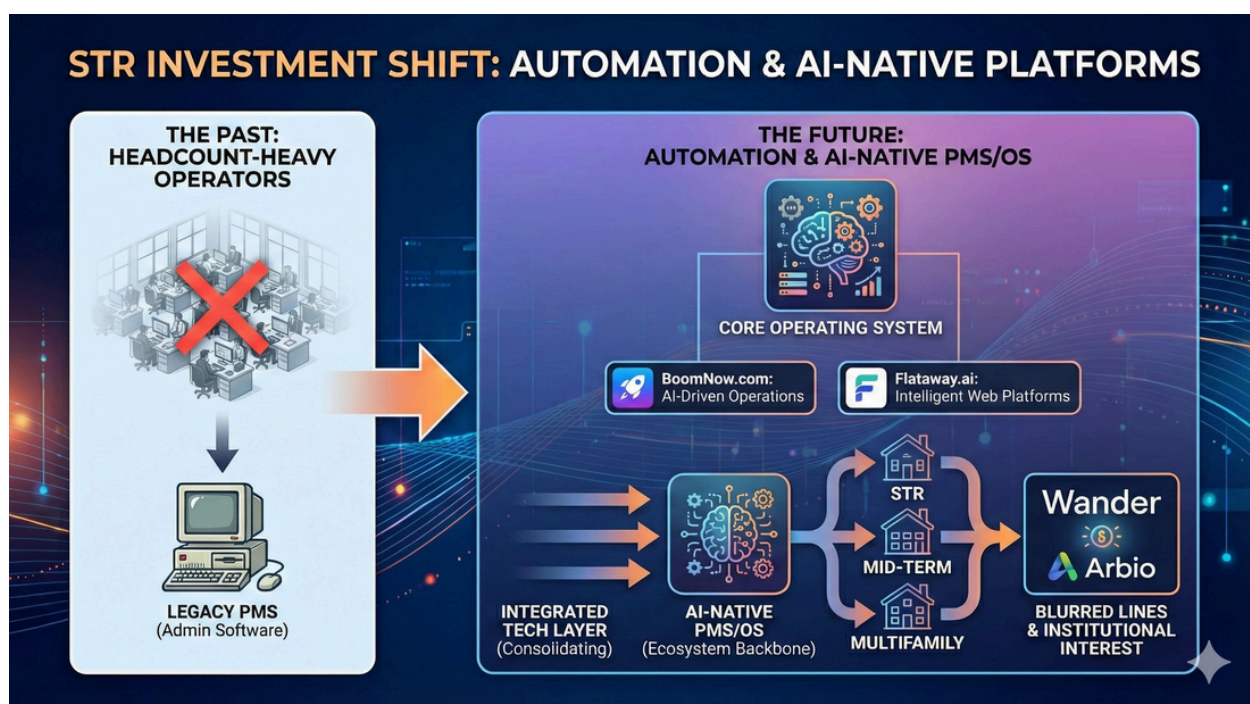
➤ plus where is the money heading in 2026?

PropTech Vertical Roll-up: The integration and software development demonstrated by many companies and tech investments suggest a more consolidated environment. Smaller, specialised vertical PropTech tools, like AI-driven scheduling, maintenance automation, and guest apps, will be acquired or replaced by dominant, integrated PMS platforms. Complete, dependency-free operational stacks are necessary for greater AI business intelligence and operational efficiency.

BoomNow an AI centric PMS (raised 12.7m in 2025) exemplifies this approach. There will still be a need for some third-party tools; however, they will remain harder to assimilate, such as data, insurance, and payment solutions. These consumer services have either acquired some tech businesses, e.g. Avantio acquired by Planet, or, conversely, InhabitIQ acquired Lynbrook and has focused on similar acquisitions and insurance services.

Regional Operator Absorption: Regional property management companies that experience critical margin compression (due to lack of AI and automation) will become prime acquisition targets for large franchise groups, PE-backed funds, or local cash-rich or private investor “roll-up” management companies. These acquirers will purchase the high-quality management contracts at varying valuations and immediately migrate them onto scalable platforms.

Witnessing Capital Allocation Strategies: Defensively, we are still seeing capital allocated to PropTech for operational resilience and compliance infrastructure. Offensively, funds are being targeted to toward high-growth, high-margin verticals such as Luxury STR, or the MTR sector which offers a path of less regulatory resistance and high margin per marketing spend.



Themes for 2026+



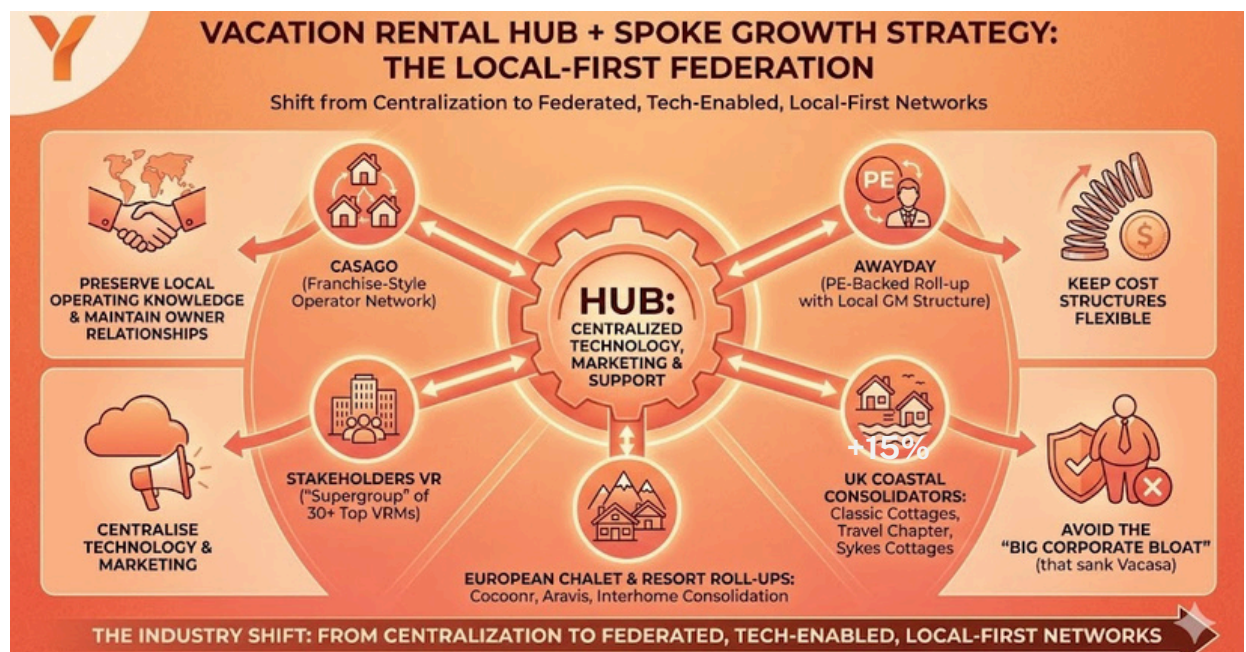
The Rebirth of Decentralised, Local-Operator-First Networks

Across regions, the same pattern emerges: “Hub + spoke” larger operators offer greater organic growth, reduced churn, and greater control.

- Casago (franchise-style operator network)
- Awayday (PE-backed roll-up with local GM structure)
- Stakeholders VR (explicitly building a “supergroup” of 30+ top VRMs)
- UK Coastal Consolidators: Classic Cottages, Travel Chapter, Sykes Cottages
- European chalet & resort roll-ups: Cocoonr, Aravis, Interhome consolidation

These platforms are designed to win because they:

- preserve local operating knowledge,
- maintain owner relationships,
- keep cost structures flexible,
- centralise technology & marketing, and avoid the “big corporate bloat” that sank Vacasa.



AI + Operating Systems are the Industry’s Infrastructure Layer.

Investors are now backing automation, not headcount-heavy operators. PMS is no longer seen as “admin software”; it is becoming the core operating system for the entire category. BoomNow.com is an example of this, and in the world of discovery and platform deployment, Flataway.ai is another example.

The integrated tech layer is consolidating faster than the operator layer, and AI-native PMS/OS platforms will become the backbone of the entire STR ecosystem. Also, companies that blur the lines between STR, mid-term, and multifamily are getting the most institutional interest. “Flex” is the new buzzword.....

Themes for 2026+



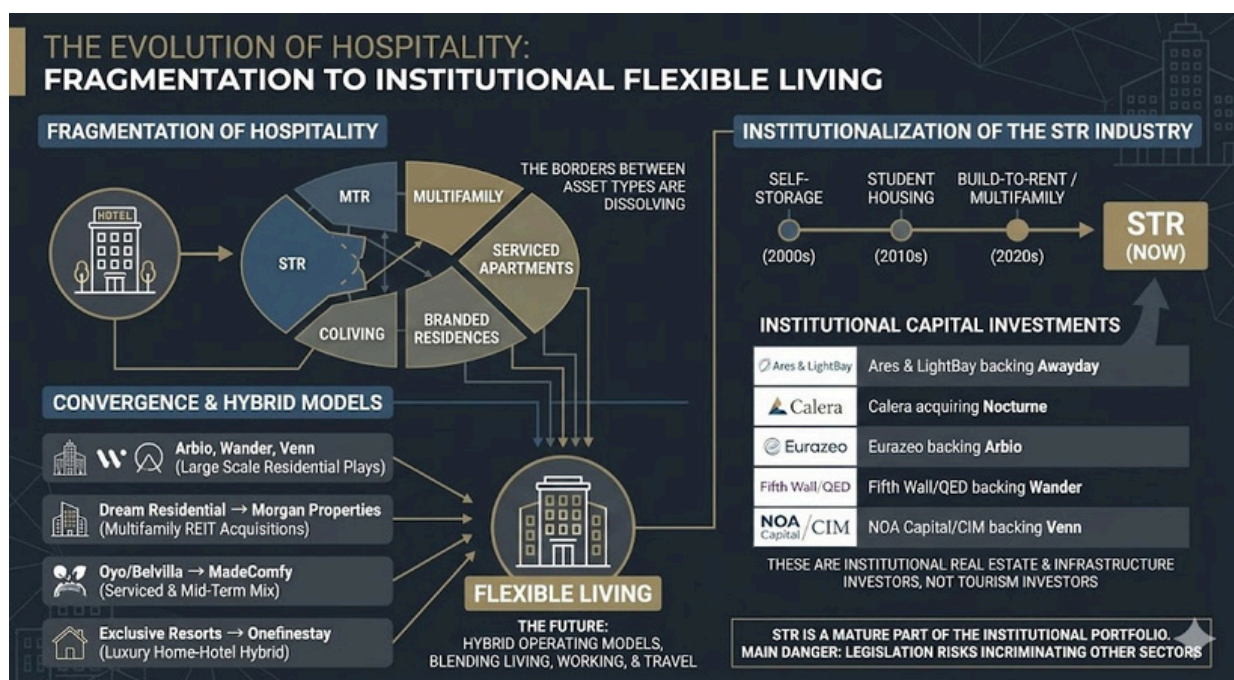
Fragmentation of 'Hospitality' Into Multiple Asset Classes:

STR, MTR, Multifamily, Coliving, Serviced Apartments, Branded Residences. The borders between asset types are dissolving, e.g:

- Arbio, Wander, and even Venn, a large-scale residential play, may reach into the market
- Multifamily REIT acquisitions (Dream Residential by Morgan Properties)
- Oyo/Belvilla expanding into MadeComfy (serviced & mid-term mix)
- Exclusive Resorts buying into Onefinestay (luxury home-hotel hybrid)

The future is more likely “Flexible Living,” not “Short-Term Rentals.” The industry’s competitive battleground is shifting to hybrid operating models that blend living, working, and travel, and increasingly to compound, localised inventory volumes.

These are institutional real estate and infrastructure investors, not tourism investors, but they can accommodate these travellers! STR has become a legitimate, mature part of the institutional real estate & hospitality portfolio. The main danger is legislation that could also incriminate these other, more robust sectors.



Institutionalisation of the STR Industry

Inspection of investments shows that capital has finally moved into STR in the same way it did into self-storage (2000s), student housing (2010s), and build-to-rent / multifamily (2020s). For example:-Ares & LightBay backing Awayday, Calera acquiring Nocturne, Eurazeeo backing Arbio, Fifth Wall/QED backing Wander.

However, legislation and technology, along with changing travel habits, are now edging STR capital toward a mix with the less risky multi-rental flex accommodation approach. Investors want a foot in each market segment.

Regulatory Effects



Regulatory Divergence Driving Fragmented Market Power

“Good” vs “Bad” regulation creates opportunities and is reflected in the risk analysis by investors.

“Good STR markets”

- US Sunbelt leisure markets
- UK/European rural & coastal destinations
- Dubai (hyper-regulated but pro-business)
- Mexican, South American and increasingly African leisure markets.

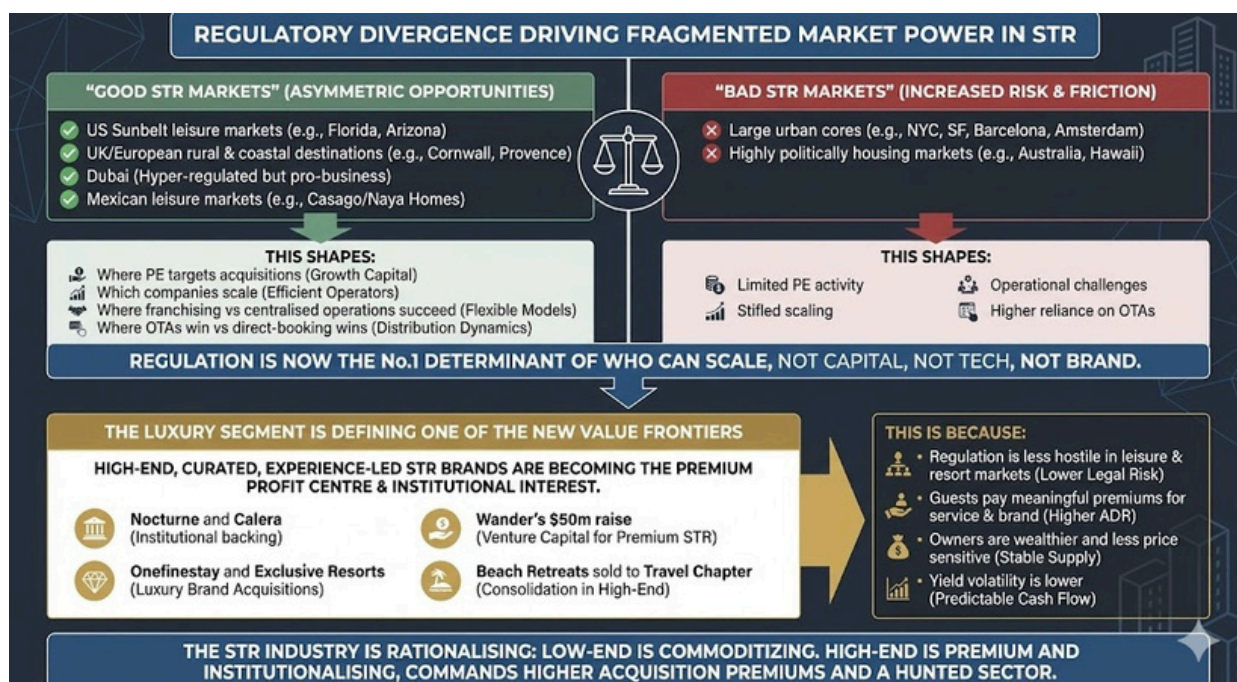
“Bad STR markets”

- large urban cores (e.g. NYC, SF, Barcelona, Amsterdam)
- highly politically housing markets (e.g. Australia, Hawaii)

This shapes where PE targets acquisitions, which companies scale, where franchising vs centralised operations succeed, and where OTAs win vs direct-booking wins.

Regulation is now the No.1 determinant of who can scale, not capital, not tech, not brand; however, the **luxury segment** is defining one of the new value frontiers. All point to the same conclusion: High-end, curated, experience-led STR brands are becoming the premium profit centre of the industry.

This is because regulation is less hostile in leisure & resort markets, guests pay meaningful premiums for service & brand, owners are wealthier and less price sensitive & yield volatility is lower. The STR industry is rationalising: the low end is commoditising. High-end is premium and institutionalising commands higher acquisition premiums and a hunted sector.



Geographical Trends



Expert: A few cross-border deals where tech-heavy northern European groups acquire local specialists in Southern Europe. Growing importance of mid-term and “living” products (MTR, & Co-living) as an M&A category, often involving the same tech stacks used by STR operators.

Belvilla by Oyo, MadeComfy (Australia)

Oyo’s vacation home arm, Belvilla, acquired Australian short-term rental platform MadeComfy via a cash-and-stock transaction. This gives Oyo a stronger beachhead in Australia, with a local brand, local operations, and regional homeowner relationships. This shows Indian-headquartered Prism/Oyo still favours international expansion via acquisition rather than purely organic growth.

APAC 2025 sees more emphasis on strategic positioning by global players than on a flurry of local roll-ups. A jigsaw approach to acquisitions.

Middle East & Africa

Dubai stands out as a hyper-growth STR market with clear licensing frameworks and initially high yields. Still, with so much stock coming online, there will be challenges: 40K+ active STR listings in 2025, strong double-digit YoY growth, and median revenues around \$29k per listing, with the top tier far higher. No major Dubai-specific STR operator acquisitions surfaced in 2025, but the market’s attractiveness is clearly documented in investment and broker materials.

Africa: Early-Stage but Real Momentum

Reports on South Africa and selected North African markets highlight growing tourism and the increasing role of STRs in investor strategies, but public M&A is still sparse.

Geographical Trends



Latin America

Latin America combines high tourism growth, volatile macroeconomics and diverse regulatory regimes. STR activity is dense in Mexico, Brazil and selected Andean/ Caribbean markets.

While earlier Despegar-related and regional OTA acquisitions predate 2025, they remain relevant context for LATAM as a region where distribution consolidation is already advanced.

Caribbean markets.

Expect more hybrid deals where US-based operators/brands partner with or acquire local managers, especially in Mexico, Costa Rica, and coastal markets in Brazil, with STRs mixing with branded residential and condo-hotel structures.

European Operational Tech and STR

Investors are clearly favouring platforms that span multiple accommodation types (STR, MTR, multifamily), have a credible AI roadmap, and adopt a technology-first (overhead-lite) approach embedded in core workflows. Arbio, with a \$36m Series A in Berlin to build a platform for asset-light residential operations in fragmented European markets, is a good example.

Expect 2026 M&A to be more surgical and less hype-driven — more quiet tuck-ins of profitable regional agencies and managers; fewer flashy “unicorn” narratives. The key valuation drivers will increasingly be EBITDA quality, owner retention, ADR resilience and regulatory risk, not just property count.

Mid-Term Rentals and Serviced Living as the “Goldilocks zone”

Investors are already analysing markets on mid-term metrics; expect 2026 to bring dedicated MTR platforms and possible roll-ups, particularly in North America and Europe.

Technology for technology's sake. Buy customers, shortcut connectivity.

STR tech is easy entry, and AI-assisted software development accelerates deployment. However, connectivity to a source of truth (PMS) is still needed, and this dependency reduces margin, creates liabilities and risk, and marketing and support remain the highest costs.

There are numerous European hyper-local, language-based niche software products, and the data reporting requirements are onerous. We can expect to see these niche businesses acquired for their customer bases and to shortcut connectivity challenges for PMS expansion.

2025 Global Highlight Deals



Country/ Region	Target/Asset	Acquirer/ Investor	Deal Type	Headline Value	Strategic Rationale
Australia	MadeComfy	Belvilla by Oyo / Prism group	Acquisition	Reported US\$50m+	Provides Oyo with a scaled entry into the Australian market.
Bali	Balisuperhost	Private	Acquisition	Undisclosed	Major consolidation in Indonesia (Kozystay / BaliSuperHost).
Bulgaria (Sofia)	Flataway.ai	Eleven Ventures & others	Pre-seed	US\$800k	Funds an AI tool for direct-booking sites.
Dubai	Seraya	Saudi family office / DLL	Investment	\$1.8m	Building a vertically integrated STR model in Dubai.
Estonia	Bob W.	Norgine Ventures	Investment	€10m	Further expansion across Europe for tech-enabled apartments.
France	Pure France	Olivers Travels	Acquisition	Undisclosed	Aggressive roll-up of high-end French inventory.
France (Alps)	Rental portfolio	Emerald Stay	Acquisition	Undisclosed	Consolidates high- end Alpine management.
Germany	Holidu	Key1 Capital	Investment	EU46m	Growth financing for AI and PMS business expansion.
Germany (Berlin)	Numa Group	Verlinvest	Investment	\$59m	Backing for the "hotel-alternative" model in European cities.

2025 Global Highlight Deals



Country/ Region	Target/ Asset	Acquirer/ Investor	Deal Type	Headline Value	Strategic Rationale
Isle of Man	Island Escapes	Sapphire Holidays	Acquisition	Undisclosed	Regional expansion into the Isle of Man.
Netherlands	Mews	Tiger Global	Investment	\$75m	Expansion in US/DACH and AI innovation.
Oman	Mysk Hotels	Bayard Capital	Investment	\$100m	Transitioning from manufacturer to hospitality operator.
Spain	Gaiarooms	Bonsai Venture Capital	Investment	EU10m	Network of digitalized accommodations across Spain.
Switzerland / pan-EU	Interhome	HomeToGo	Acquisition	c.€160m	Transforms HomeToGo into a B2B-centric group.
UK (Cornwall)	Forgotten Corner	Travel Chapter	Acquisition	Undisclosed	Regional tuck-in for high-demand coastal areas.
UK (Dorset)	Dream Cottages	Sykes Holiday Cottages	Acquisition	Undisclosed	+15% Part of Sykes' regional roll-up strategy.
UK (Lake District)	Lakeland Retreats	Travel Chapter	Acquisition	Undisclosed	Bolsters inventory in the Lake District.
UK (Cornwall)	Beach Retreats	Travel Chapter	Acquisition	Undisclosed	Bolsters inventory in Cornwall

2025 Global Highlight Deals



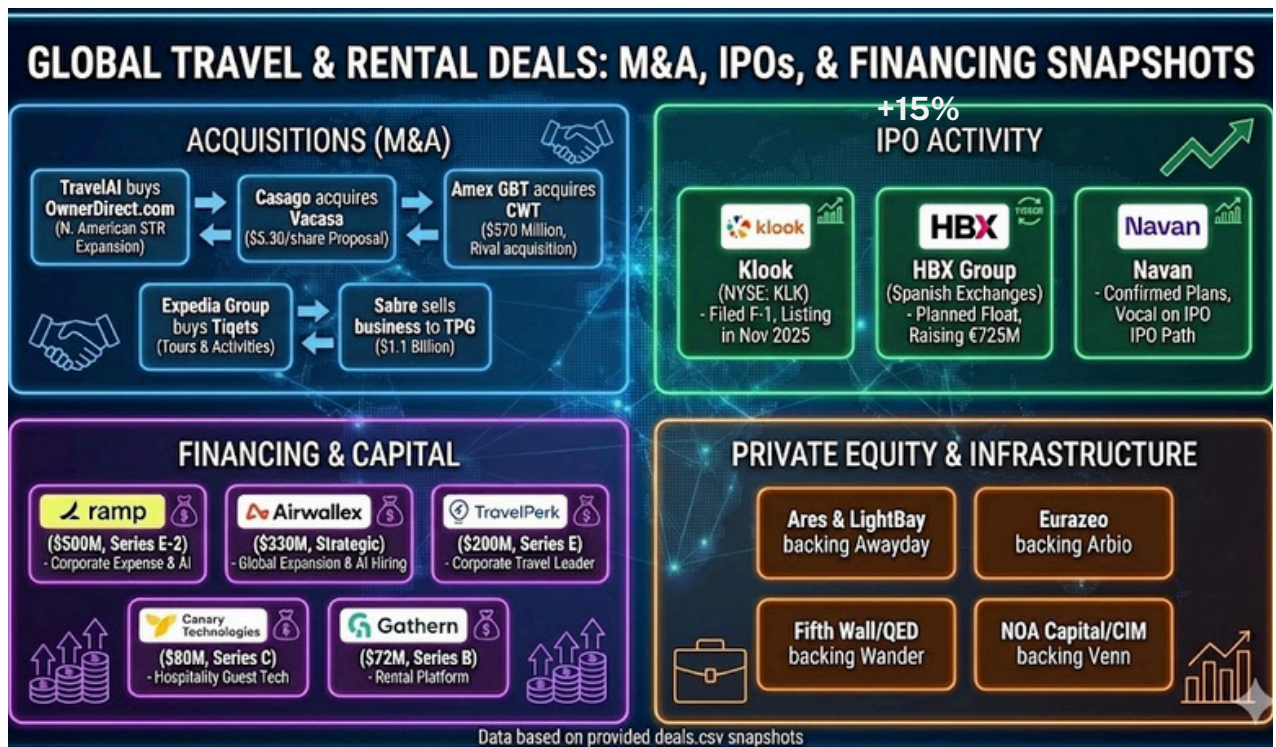
Country/ Region	Target/ Asset	Acquirer/ Investor	Deal Type	Headline Value	Strategic Rationale
UK (North Devon)	Marsdens Devon Cottages	Travel Chapter	Acquisition	Undisclosed	Consolidating the West Country market.
UK / France / Global	Onefinestay	Accor	Acquisition	c.£117m	Major hotelier move into luxury private rentals.
US	RedAwning	Multiple	Investment	US\$40m+	Funding for distribution and marketing platform.
US	TurnKey Vacation Rentals	Vacasa	Acquisition	c.US\$619m	Merged two largest tech-led managers in the US.
US (Colorado)	Hoste	Premier Pads	Acquisition	Undisclosed	Sub-scale regional manager roll-up.
US (Colorado)	SkyRun	Casago	Acquisition	Undisclosed	Adds large North American franchise footprint.
US (Global)	Hospitable	Community Round	Crowd Raise	+15% US\$1.5m+	User- and staff-funded AI automation growth.
US (Luxury)	Inspirato	Capital One Ventures	Investment	\$25m	Integrating luxury subscriptions with travel rewards.
US (Multi-state)	Vacasa (Portfolio)	Casago	Acquisition	c.US\$120-130m	Salvaging assets for a franchise-led platform.
US (Multi-State)	Stay Terra	Cape & Coast Premier Props	Acquisition	Undisclosed	Luxury vacation home rentals on the Forgotten Coast.

2025 Global Highlight Deals




Country/ Region	Target/ Asset	Acquirer/ Investor	Deal Type	Headline Value	Strategic Rationale
US (West Coast)	Beachview Rentals	Maui Resort Rentals	Acquisition	Undisclosed	Large luxury VRM consolidation on the West Coast.
US (West Coast)	Meredith Lodging	Vacasa	Acquisition	Undisclosed	Consolidating Pacific Northwest inventory.
US / Global	Sonder	Creditors	Liquidation	N/A	High-profile liquidation of master-lease model.
US & Canada	Various VRMs	Stakeholders VR	Roll-up	N/A	PE-backed platform targeting ~30 leading VRMs.
USA	RoadSurfer	Avellinia Capital	Investment	\$30m	Financing for fleet expansion in 2025.
USA, Denver	GuestWorks	Evolve	Acquisition	Undisclosed	Absorbs inventory into Evolve's hybrid asset-light model.

On a more global scale the global travel industry, real estate, and infrastructure is converging with short term rentals in financial tools, capital and soon IPO activities.



Capital Deployment

 The global short-term rental (STR) and alternative accommodation sector has split into three distinct financial realities in 2025.

The market has moved beyond the "growth at all costs" era of the 2010s into a disciplined phase of industrialisation and sovereign nation-building.

The research identifies three primary vectors of capital reshaping the industry:



The Operating System - Asset Lite

Tech Consolidation: Private Equity (PE) giants like General Atlantic and KKR are aggressively rolling up the "Operating System" layer (PMS, Channel Managers), betting on high-margin SaaS revenues rather than low-margin operations.

Investor	Target	Round	Deal	Strategy	Investment
General Atlantic	Hostaway	Growth Equity	\$365M	Tech (SaaS)	Consolidation: Backing a "winner-takes-most" PMS to roll up fragmented mid-market software.
KKR	Guesty	Series F	\$130M	Tech (SaaS)	Pre-IPO Scale: Building the ? "Salesforce of Hospitality" via M&A (Kigo, HiRUM) and development. ?AI late to the game.
Avenue Growth	Boom	Series A	\$12.7M	Tech (AI)	Agentic AI: Replacing repetitive and slow human property management with autonomous AI agents and adding Business Intelligence
Pi Labs	Conduit	Seed	\$3.1M	Tech (Infra)	Connectivity: The "pipes" connecting legacy PMS data to modern AI tools.
Ibex Investors	Localbird	Seed	\$7.4M	Tech (Marketplace)	Ancillary Revenue: AI concierge to monetize guests during their stay.
Key1 Capital	Holidu	Series E	€46M	Tech (Hybrid)	Attempting to Dominate European vacation rentals via a mix of SaaS and marketplace.

Capital Deployment



The Operators - Asset Right



Tech-enabled management with reduced lease liability (Franchise & Management Agreements). Following the liquidation of asset-heavy giants like Sonder, capital has shifted to "Tech-Enabled Operators"

Investor	Target	HQ	Strategy	Investment
Verlinvest	Numa Group	Germany	Asset-Lite (Lease/Manage)	Digital Hotelier: Acquired Native Places; replacing hotel staff with tech to boost margins.
WestCap	Blueground	USA	Asset-Pivot(Franchise)	The Pivot: Shifting from master leases to a franchise network to reduce capital intensity.
Evli Growth	Bob W	Finland	Tech-Enabled Op	Pan-European Scale: "Best of Both Worlds" (Hotel standards + Airbnb authenticity).
Felix Capital	Ukio	Spain	Asset-Heavy (Flex)	Flex Living: Capturing the "digital nomad" market with premium, months-long stays.
Highland Europe	Le Collectionist	France	Asset-Lite (Luxury)	Luxury Aggregation: Acquiring local luxury agencies to build a global high-end brand.
Casago (Silver Lake, Riverwood, Level Equity)	Vacasa	USA	Franchise	Turnaround: Acquired Vacasa to shift it from a heavy central ops model to a localized franchise.

Capital Deployment



Sovereign Wealth Funds

In the Middle East (MENA), sovereign wealth funds are not merely investing for returns but are deploying capital to build national tourism infrastructure from scratch, creating protected "national champions."

Investor	Target	Origin	Strategy	Rationale
Sanabil (PIF)	Gathern	Saudi	Marketplace	Vision 2030: Building the "Saudi Airbnb" to handle 150M visitors; IPO target.
OMRAN Group (Govt Owned)	UnderTheDoormat	Oman/UK	Tech Transfer	Ecosystem: Importing UK tech (Hospiria) to regulate and professionalize Oman's rental market.
Nuwa Capital (A VC Group)	Silkhaus	UAE	Tech-Operator	Saudi Expansion: Scaling a Dubai-born operator into the Saudi market.
Family Offices	Seraya	UAE	Asset-Heavy	Premium Yield: High-net-worth capital seeking real estate yields in Dubai's luxury sector.



Tactics 2026

> The "Asset- Pivot" (Franchise & Management)

Investors like **WestCap** and **Verlinvest** are funding companies that look like operators but act like software companies.

Blueground's moves and Casago represent parts of the future: Franchising, branding and management. Instead of signing leases (although Blueground started that way with leases and furnishings, etc.), it has pivoted to a marketplace and lower-risk commercial real estate.

Management, tech-centric businesses provide the brand and tech to local operators who take the actual real estate risk. Casago's acquisition of Vacasa was a strategic move to dismantle Vacasa's bloated central operations and replace them with a decentralised franchise network.

Numa and Bob W use technology to remove on-site staff. By digitising check-in, security, and concierge (using investors like Smedvig-backed Minut sensors), they achieve hotel-like margins without hotel-like labour costs.

> The "Asset-Heavy" Collapse & Rebirth

The Failure: Sonder (backed by Fidelity/Greenoaks) liquidated its US business in Nov 2025. Its failure proved that the "Master Lease Arbitrage" model (leasing long-term, renting short-term) is toxic in a high-interest-rate environment.

The Survivor: Seraya (backed by Family Offices) continues to operate an asset-heavy model in Dubai. This works only because it targets the luxury segment, where margins can absorb lease costs, and because it relies on patient family office capital rather than impatient VC funds.

The latter highlights continued interest in luxury inventory despite the lease-liability approach.

> Private Equity Queue in Waiting

While the US focuses on tech, the UK and Europe have been in a phase of larger inventory consolidation, funded by Private Equity.

Sykes Holiday Cottages (Vitruvian Partners): The classic "Roll-Up." Vitruvian provides the capital for Sykes to buy small, regional agencies, migrating their inventory onto Sykes' massive tech platform to achieve economies of scale.

The Travel Chapter (ICG): Focuses on retaining the brand equity of acquired agencies while centralising the backend. This appeals to sellers who want their local brand to survive post-exit.

Host & Stay (Growth Partner): Backed by Richard Harpin (HomeServe founder). They are converging property maintenance with rental management, bringing an industrial-scale maintenance focus that mom-and-pop agencies cannot match.

Adoption is Mandatory: It is hard to compete with Sykes (PE-backed) on marketing spend. A company must compete on agility and yield, using tools like PriceLabs (Summit Partners) and Minut (Smedvig) to match their operational efficiency. For a local independent agency, the competition is no longer regional. It is institutional.

The Exit Horizon: PE firms operate on 3-5 year cycles. The current aggressive M&A activity suggests we are in the middle of a cycle, making 2026/7 a prime window for exits.

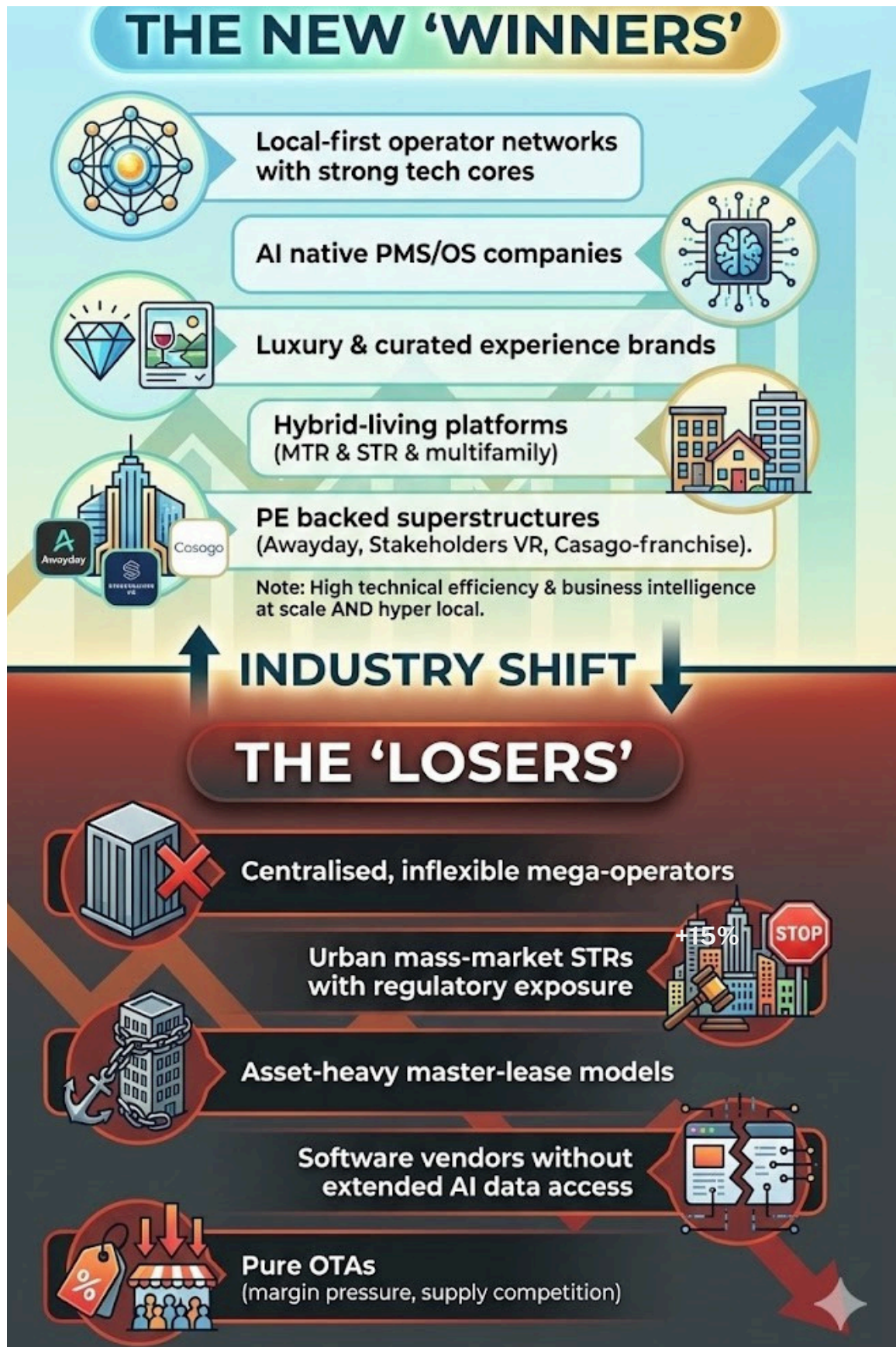
> The "Pick & Shovel"

Possibly the safest bet for investors.

Fintech: TurnStay (First Circle) handles cross-border payments for African rentals, saving 70% in fees.

Operations: Crew (RET Ventures) manages trash and maintenance logistics, bridging the gap between single-family rentals and short-term stays.

Winners & Losers



Conclusion

The "Invisible Hand" of Capital in a "Flight to Quality"

In Tech: Capital has flown to the "All-in-One" platforms (e.g., Boom's recent investment) that can serve as the industry standard and leverage AI across the entire complex STR business. This is not just guest apps and operational software but business intelligence from millions of data points.

In Operations: Capital had fled the "Master Lease" model and now landed in "Franchise/Management" models or "Sovereign Infrastructure"

In Strategy: The market has moved from "Growth", Gross Booking Value, volume of properties, and scale, regardless of cost and investment, to "Efficiency" (EBITDA and Unit Economics)

Risk:

The biggest challenge is legislation!

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**2025 STR
M&A Report**

Late News

> Luxury's New Super-Power?



Announced Late December

Exclusive Investments, the parent company of Exclusive Resorts, has entered a definitive agreement to acquire and take private Inspirato Incorporated (NASDAQ: ISPO).

This strategic move brings Inspirato together with Exclusive Resorts and onefinestay under a new umbrella entity called "The Exclusive Collective."

This formation appears to create one of the most comprehensive private networks in the global luxury hospitality sector. Inspirato will continue to operate as an independent brand, maintaining its signature subscription-based model.

Quote: "The Collective is designed to support long-term customer relationships as traveller needs change over time". Within this ecosystem, each brand serves a distinct purpose:

1. Exclusive Resorts remains an elite, referral-based membership club for families.
2. Inspirato offers flexible luxury subscriptions for a broader high-net-worth audience; and
3. Onefinestay provides an invitation-only portfolio of luxury rentals and professional home management.

CEO James Henderson emphasises that the merger is about "choice and continuity," allowing travellers to move fluidly between these brands as their lifestyles evolve. The combined platform will serve over 25,000 high-net-worth travellers annually. It leverages Exclusive Resorts' \$1 billion portfolio of owned residences alongside more than 3,000 "managed" properties from Inspirato and onefinestay.

Backed by majority owner and AOL co-founder Steve Case, the entity is projected to generate over \$500 million in revenue and approximately \$70 million in EBITDA in 2026. This scale provides greater stability and operational efficiency while preserving the unique character of each individual brand.

The transaction is subject to the usual closing conditions, including Inspirato's stockholders' approval. Steve Case noted that this unification aligns with shifting consumer expectations toward personalised, community-focused experiences. Ultimately, the deal marks a "full-circle" moment for the industry, positioning The Exclusive Collective to lead the next wave of innovation in luxury hospitality by focusing on how elite travellers spend their most finite of resources: their "time".

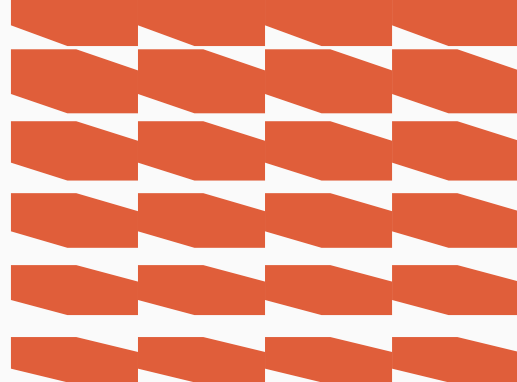
Editor's Comment:

We will be following this development and casting an opinion or two over the coming months. It does, however, support the luxury, quality, higher income guest profile approach and less geographic legislative kickback and defends against this, through choice and scale.

Inventory and calendar control, with operational management, are still primary industry markers to maximise income and in a number of ways this deal lacks these controls and reduces income potential.

Companies mentioned with URLs

Accor / Onefinestay	onefinestay.com	MadeComfy	madecomfy.com.au
Arbio	arbio.com	Maui Resort Rentals	mauiresortrentals.com
Avantio	avantio.com	Meredith Lodging	meredithlodging.com
Awayday	awayday.com	Minut	minut.com
BaliSuperHost	balisuperhost.com	Nocturne Luxury Villas	nocturneluxuryvillas.com
Blueground	theblueground.com	Numa Group	numastays.com
Bob W	bobw.co	Onefinestay	onefinestay.com/
Boom	boomnow.com	Oyo / Belvilla	oyorooms.com
Breezeway	breezeway.io	Planet	weareplanet.com
Casago	casago.com	Premier Pads	iamhoste.com
Conduit	conduit.ai	PriceLabs	hello.pricelabs.co
Crew	crewhomeapp.com	RedAwning	redawning.com
Emerald Stay	emeraldstay.com	Roadsurfer	roadsurfer.com
Evolve	evolve.com	Sapphire Holidays	sapphireholidays.co.uk
Exclusive Resorts	exclusiveresorts.com	Seraya	serayastays.com
Flataway	flataway.ai	SkyRun	skyrun.com
Gathern	gathern.co	Sonder	sonder.com
Guesty	guesty.com	Stakeholders VR	stakeholdersvr.com
Holidu	holidu.com	Sykes Holiday Cottages	sykescottages.co.uk
HomeToGo	hometogo.com	Travel Chapter	travelchapter.com
Hostaway	hostaway.com	TravelAI	travelai.com
InhabitIQ	inhabit.com	TurnKey	vacasa.com
Inspirato	inspirato.com	TurnStay	turnstay.com
Interhome	interhome.group	Under The Doormat	underthedoormat.com
Kozystay	kozystay.com	Vacasa	vacasa.com
Localbird	localbird.io	Wander	wander.com
		Wheelhouse	usewheelhouse.com



Thank you!

Thank you for taking the time to read this report. If you have any questions or would like to discuss our findings further, please don't hesitate to reach out to us.

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Please note we advise on some of the companies in this document, but have kept all elements objective and without bias.