



Vacation Rentals v. Homeshare

BY MICHAEL SHINDLER, PRESIDENT

Skift published several pieces this week on the approach of several major brands to Marriott's announcement of its new Homes & Villas product. I am disappointed that, in all the articles and, especially, the piece [linked here](#), Skift conflated — or permitted Chris Nassetta to get away with conflating — the homeshare business (e.g., Airbnb, though increasingly less so) and the vacation rental management business.

Marriott is, effectively, soft-branding (by licensing) certain known operators in the vacation rental business. The jury is out on whether branded vacation rental management is a good idea; after all, Hyatt's experiment in the space has come and gone (and, per Hyatt's quarterly meeting this past week, not likely to be repeated anytime soon), and Accor's appears to be struggling. However, considering the number of branded residences proliferating around the world adjacent to and, more frequently, independent of hotels (e.g., stand-alone Ritz Residences, Mandarin Oriental Residences or Four Seasons Residences), is this step markedly different? I think not, particularly for an asset-light hotel group with the heft of Marriott and its willingness to try something different (for example, Marriott's relationship with Ian Schrager).

Absent an intractable problem with one or more rentals or Marriott's relationship with one of its several licensees, this seems a low-cost way to undertake a beta test on what is undoubtedly a growing business.

"Homesharing" is practically an atavistic term for where Airbnb sits now in its evolution. I would guess that RXR views Airbnb as a platform for experiences, else it would not have done its Rockefeller Center deal. I would also guess that the preponderance (or, at least, a significant minority) of Airbnb listings are now whole houses, apartments or separate-entrance units in a larger home, many owned by and/or managed by quasi-institutional investors. "Vacation Rental" is a much, much different thing entirely, considering that Marriott has aligned with professional, third-party operators in the vacation rental space; *"homesharing"* has come to mean something that is not consonant with the vacation rental management business.

The hotel industry needs to continue to adapt; if we have learned nothing else from Airbnb, it is that. Make no mistake, Marriott's announcement is about adaptation to competition, not about entering the *"homesharing"* space.

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