whyhotel

Pop-up hotels in newly built multifamily buildings
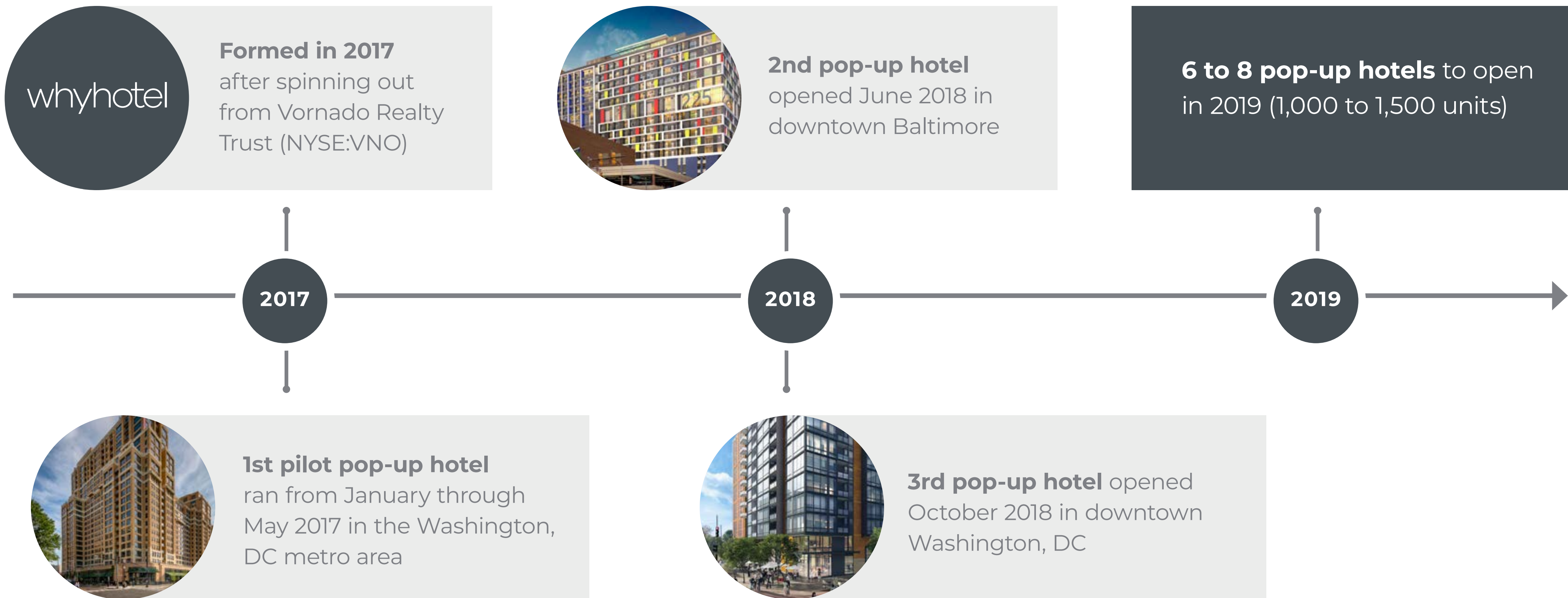
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Pop-up hotels in newly built multifamily buildings

Overview

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Formed in 2017 after spinning out from Vornado Realty Trust (NYSE:VNO)

2nd pop-up hotel opened June 2018 in downtown Baltimore

6 to 8 pop-up hotels to open in 2019 (1,000 to 1,500 units)

2017 ——— **2018** ——— **2019** →

1st pilot pop-up hotel ran from January through May 2017 in the Washington, DC metro area

3rd pop-up hotel opened October 2018 in downtown Washington, DC

How the pop-up model works

THE OPPORTUNITY

When real estate developers deliver for-rent multifamily buildings, the buildings are initially vacant and take 8-24 months to fill with long-term residential renters.

CAPITALIZING ON THAT OPPORTUNITY

WhyHotel partners with developers to monetize their vacant apartments during lease-up by furnishing a large number of units and renting them to short-term guests as part of a pop-up hotel.

STEP 1: WHYHOTEL PRE-OPEN

> Navigate and secure regulatory approvals
> Outfit WhyHotel units with hotel-quality furniture, technology, and housewares
> Install all back-end systems and telecom
> Hire and train onsite hotel and security staff
> Launch hotel reservation booking system and begin taking reservations

STEP 2: WHYHOTEL OPERATIONAL

> Operate all facets of the hotel (reservations, check-in, concierge services, housekeeping) with 24/7 onsite staff
> Provide discounted room nights to existing residents and other perks as an added onsite amenity
> Drive residential leasing for the building owner
> Coordinate with property management on an ongoing basis to provide a seamless experience for residents and guests

STEP 3: WHYHOTEL WIND DOWN

> Reduce hotel unit count as apartments are leased by new residents, eventually exiting the building altogether
> Return each unit in 'Rent-Ready Condition' to the building owner

Operational Highlights

DC METRO PILOT:
50 UNITS

> 1,000+ reservations
> 4,000+ room nights booked
> $700,000+ in bookings
> Open January through May 2017

BALTIMORE:
158 UNITS

> 5,000+ reservations
> 14,000+ room nights booked
> $2.3M+ in bookings
> Open June 2018 through present

WASHINGTON DC:
93 UNITS

> 2,000+ reservations
> 6,500+ room nights booked
> $950,000+ in bookings
> Open October 2018 through present

★ BOOKING.COM	★ HOTELS.COM	★ AIRBNB	★ FACEBOOK	★ YELP	★ TRIP ADVISOR
9.1	4.4	4.8	5.0	5.0	5.0

WSJ   Forbes   BALTIMORE BUSINESS JOURNAL   Skift   USA TODAY   npr   The Washington Post   THE BALTIMORE SUN   WASHINGTON BUSINESS JOURNAL

Market Size

SIZE OF U.S. MULTIFAMILY AND HOSPITALITY MARKETS

20,000,000+
multifamily apartment units in the U.S.

$3.6 trillion
apartment building stock value

$1.3 trillion
annual economic impact (resident spending, construction, and operations)

5,000,000+
U.S. hotel rooms

$157 billion
annual room revenue

$208 billion
annual total revenue

1,000,000+
U.S. vacation rentals

$34 billion
annual rental revenue

200,000+
U.S. timeshares

$9.6 billion
annual sales

$2.3 billion
annual rental revenue

SCALE OF ANNUAL MULTIFAMILY DELIVERIES

215,000
multifamily units delivered annually for the last 20 years on average in the U.S.

325,000
multifamily units are projected to deliver annually through 2030 to meet changing U.S. demographics

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Competitive Landscape

REAL ESTATE OPERATORS

> Fast growing short-term rental operators that arbitrage long-term residential rents (Sonder, Stay Alfred, Lyric, etc.)

> Corporate housing providers (Bridgestreet, Churchill, Oakwood, etc.)

> Co-living operators (WeLive, Common)

> Traditional 3rd party apartment operators (Greystar, Bozzuto, etc.)

CONSUMER PRODUCTS FOR STAYS

> Hotels (Marriott, Hilton, Intercontinental, Hyatt, etc.)

> Homesharing/Vacation Rentals (Airbnb listed, HomeAway listed, short-term operators, etc.)

> Corporate Housing (Bridgestreet, Churchill, Oakwood, Urbandoor listings, etc.)

> Sublets (Craigslist)

> Timeshares

Question & Answer

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