B2B Short Term Rentals: When, How and Where Can They Work For You?

Kim Bender, Fairfield Residential
Sean Conway, Pillow Residential
Erik Eccles, Urbandoor
Joe Fraiman, Parallel
Jason Fudin, WhyHotel
New U.S Apartment Supply

Source: Yardi Matrix

* 2017 data is an estimate
RELOCATION

Logan is an executive relocating for a new position in Chicago

TRAVEL AND PROJECTS

Natalie is a consultant on assignment for 6 months in Seattle

TRAINING, ROTATIONS, & INTERNS

Ian is on rotation in New York City, staying for 3 months
### Renter Brokers and Aggregators

<table>
<thead>
<tr>
<th>Renter Brokers and Aggregators</th>
<th>National Intermediaries</th>
<th>Small Intermediaries</th>
<th>Multifamily Apartments</th>
</tr>
</thead>
<tbody>
<tr>
<td>$$$</td>
<td>$$$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

- **Renter**
- **@ApartmentWire**
- **#OPTECH17**
The trusted way to find and experience serviced apartments

Learn More about the Urbandoor experience

What Sets Urbandoor Apart
Urbandoor offers business accommodations. You'll never find any vacation rentals or second homes on our platform.
Parallel is a technology-driven, short-term rental partner for high-end multifamily communities

- Lease blocks of units at Market Rate
- Long-term commitment: 18-24+ months plus renewal
- End-to-end, hands-off solution
- Substantial value-add for the community
Our Value to Ownership

Lease blocks of units at **Market Rate**
- Contribute meaningfully to building NOI
- Lease-up new buildings significantly faster
- Standard lease terms

Long-term commitment: **18-24+ months**
- Goal of becoming long-term partner (5+ years)
- Increase building NOI
- Decrease turnover rates
- Built in standard rental rate increases

**End-to-end, hands-off solution**
- No labor or effort required from management
- **Professional**, single point of contact
- Designed for high end buildings

**Substantial value-add for the community**
- **No-cost amenity** for residents
- Enable **try-before-you-buy** for residents
- **Say yes** to sub-12 month lease inquiries
joe@paralleltravel.co
COMPARISON BUILDING AND UNIT ACCESS

Pillow™
Multifamily Short-term Rental Solution
Most short-term rentals are happening in multifamily buildings

Airbnb Booked Nights in Multifamily Buildings

- 2008: 400MM
- 2009: 300MM
- 2010: 200MM
- 2011: 100MM
- 2012: 100MM
- 2013: 200MM
- 2014: 300MM
- 2015: 400MM
- 2016: 500MM
- 2017: 600MM
- 2018: 700MM
- 2019: 800MM
- 2020: 900MM

Booked Nights: 65%
It only works if you are in control
End residents and property manager conflicts, on your terms
Control

✓ Electronic lease addendum
✓ Establish building rules
✓ Abide by city regulation
✓ Cap & monitor short-term rental nights per resident
✓ Monitor multiple platforms
✓ Cap of 20% of building can short-term rent at a time
✓ Integration with your PMS
Transparency

✓ Guest profiles
✓ Check-in dates & times
✓ Which resident is hosting when
✓ Background checked cleaning vendors
✓ Monitor short-term rental activity
Profit Sharing

✓ Customize building percentage of profits
✓ Automated payment distribution
✓ Resident & owner financial reporting
Easy Hosting

✓ Guest app
✓ Cleaning app
✓ Multi-platform
✓ Building access
✓ Building rules & guidelines
✓ Pillow account manager

+90% Time Efficient
4.5 Avg. Vendor Rating
+50% Cost Efficient
## Case Study: Investor benefiting from the sharing economy

### 316 Units - Denver, CO

<table>
<thead>
<tr>
<th>Pillow SOLUTION</th>
<th>INVESTOR BENEFIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents limited to 90 guest nights per year</td>
<td>$120 average price per night</td>
</tr>
<tr>
<td>20% limit on units simultaneously hosting</td>
<td>72% booking rate</td>
</tr>
<tr>
<td>Guest &amp; cleaner tracking dashboard</td>
<td>$76k NOI boost per year per building</td>
</tr>
<tr>
<td>Free monitoring and compliance technology</td>
<td>$1.5MM Value appreciation per building*</td>
</tr>
<tr>
<td>Complying with building &amp; city rules/regulation</td>
<td>Boost resident applications by 12%</td>
</tr>
</tbody>
</table>

*assumes 5% cap rate
<table>
<thead>
<tr>
<th></th>
<th>Single Unit</th>
<th>Building</th>
<th>Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units Signed-Up</td>
<td>1</td>
<td>100</td>
<td>10,000</td>
</tr>
<tr>
<td>Booked Nights per Year</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>WA Price per night</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
</tr>
<tr>
<td>Total Annual Short Term Revenue</td>
<td>$12k</td>
<td>$1.2m</td>
<td>$120m</td>
</tr>
<tr>
<td>Incremental NOI (10%)</td>
<td>$1.2k</td>
<td>$120k</td>
<td>$12m</td>
</tr>
<tr>
<td>Value Creation (5% Cap)</td>
<td>$24k</td>
<td>$2.4m</td>
<td>$240m</td>
</tr>
</tbody>
</table>

Assuming residents open 90 nights at $200 with an average booking rate of 67%
Opening Doors to New Opportunities

Sean@pillow.com
HOW WOULD KNOWING THAT SHORT TERM RENTALS ARE ALLOWED IN COMMUNITY AFFECT YOUR OPINION?

PERCENT SAYING POSITIVE OR NO IMPACT (BY AGE)
HOW WOULD KNOWING THAT SHORT TERM RENTALS ARE ALLOWED IN COMMUNITY AFFECT YOUR OPINION?

PERCENT SAYING NEGATIVE OR WOULD NOT RENT (BY AGE)
HOW INTERESTED ARE YOU IN ABILITY TO EARN INCOME THROUGH LISTING YOUR APARTMENT ON STR SITE?

PERCENT SAYING INTERESTED OR VERY INTERESTED (BY AGE)
Priceline, Expedia, & Airbnb comprise only about one-third of all global private accommodation bookings.

Source: Wall Street Journal
Between 2015 and YE2017, Airbnb use among Business Travelers is expected to nearly double.

Source: AlphaWise, Morgan Stanley Research