

# SHORT-TERM RENTALS

Deal or No Deal?



NAA APARTMENTALIZE CONFERENCE, JUNE 2019



## TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	3
RESIDENT RESEARCH .....	5
STR INVENTORY vs. RESIDENT PREFERENCE.....	6
EVOLUTION OF STR BUSINESS MODELS .....	7
WHY NOT DIRECT SUBLEASING? .....	7
STR TURNKEY PARTNERS – SUCCESS FACTORS.....	8
STR TURNKEY PARTNERS – BENEFITS .....	10
STR TURNKEY PARTNERS – DOWNSIDE.....	11
LEGAL CONSIDERATIONS.....	12
COMPANY INTERVIEWS.....	14
<i>AMLI RESIDENTIAL</i> .....	14
<i>BOZZUTO MANAGEMENT GROUP</i> .....	16
<i>CORTLAND</i> .....	18

*Note: Short-Term Rentals → STR*



## EXECUTIVE SUMMARY

Companies engaged in facilitating guest hosting have put forth different short-term rental (STR) business models to seek participation from owners and management companies.

J Turner Research in association with the National Apartment Association conducted an exclusive study for the 2019 NAA Apartmentalize Conference. There were three objectives for this study:

1. Determine resident attitudes towards short-term rentals.
2. Understand the experience of multifamily companies with short-term rentals – identify risks, opportunities, and challenges.
3. Outline the legal and regulatory considerations to mitigate the risks associated with participation in this model. This perspective was shared by Ayiesha Beverly, the NAA staff attorney.

We polled over 12,000 residents regarding their willingness to live in a community that allowed short-term rentals for a day/week and 19% of residents indicated “definitely not”. This is a 6 percentage point reduction for a similar question in 2016. Residents in cities with a high short-term rental inventory are less likely to stay in a community that allows STRs. At .85, there is a strong correlation between Metropolitan Statistical Areas (MSAs) with a high short-term rental inventory as a percentage of population and the “definitely not” respondents in these MSAs.

Regarding their experience with short-term rentals, multiple companies categorically mentioned that they do not allow residents across their communities to directly sublease their unit through Airbnb or any other platform. The most commonly voiced arguments include security and reputation management concerns, not knowing who is in the building all the time and low return on investment due to logistical challenges. In addition, the location of a community determines its attractiveness for direct subleasing; the demand is limited for properties located in suburban, non-entertainment or non-core business areas.

The concept of short-term rentals has evolved beyond the traditional model of allowing residents to host directly. Today, the market is fragmented, with multiple STR companies offering different business models to legitimize, streamline, and control the entire hosting process. Many industry sources assert that consolidation in the crowded STR marketplace is inevitable.

Multifamily owners and managers are still testing the waters to identify the most suitable short-term rental strategy that aligns with their company’s business goals. So far, the model of partnering with “turnkey” STR providers has found the most traction in the industry.

Management companies partner with an end-to-end STR provider such as Lyric, Sonders, and Guild and others who manage the entire guest hosting workflow in partnership with them. The STR provider is responsible for security and guest background checks, noise monitoring, staffing, regulatory compliance, housekeeping, and managing the logistics from check-in to check-out, baggage storage, and waiting areas. Advocates of this model argue that turnkey partnerships enable a guaranteed lease payment for a defined number of units, at market rent, for a certain number of years. The property can lease-up faster and benefit from a built-in rent increase each year. Additionally, the property can use an



available STR unit as an amenity for residents and leasing tool for prospective residents. In summary, companies voice that by partnering with turnkey providers, they can focus on what they do best - leasing apartment homes to residents long-term, while the short-term providers do what they do best, sublease to another individual and manage all logistics.

For turnkey partnerships to be successful, it is critical to align with the “right” STR partner who does not want to be the “low-cost” provider in the area. Relevant checks and balances including price can ensure the management company attracts the desired demographic as its guests. Operationally, it is important to remember most buildings are not designed with the STR model in mind. The client and the STR provider must work in tandem to define the entire workflow, preparing for every step of the guest experience from check-in to baggage storage. This individualized process differs from building to building. Additionally, it is important to have open communication with residents to secure their buy-in.

**What you’ll learn from this study:**

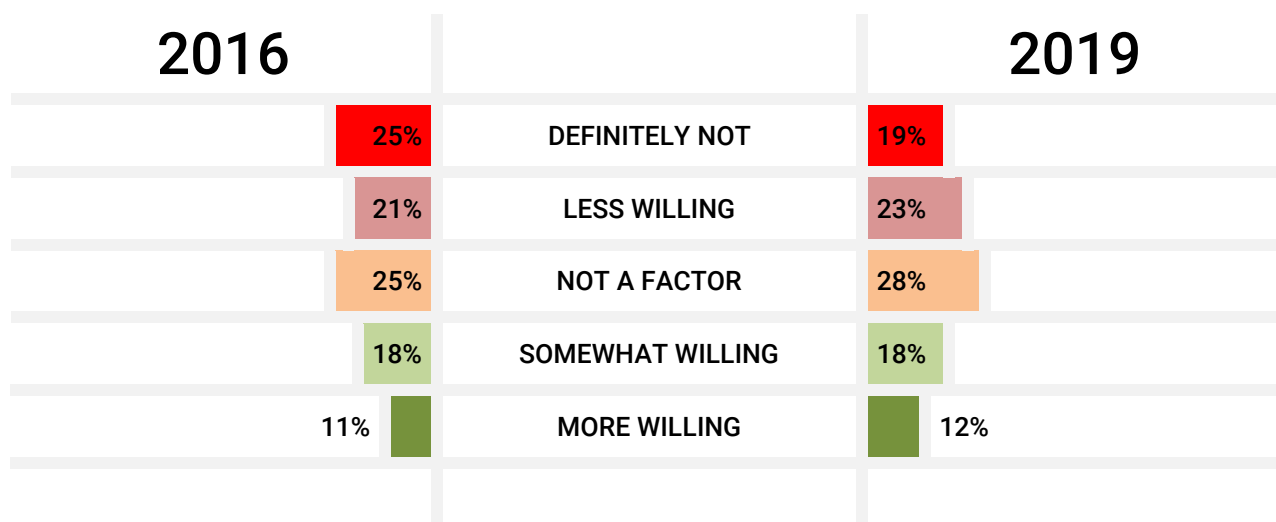
- 1** Resident attitude towards short-terms rentals in 2019 vs. 2016.
- 2** Turnkey short-term provider – Why it is trending.
- 3** Legal considerations to mitigate risks associated with short-term rentals.
- 4** Insights from three companies regarding their experience with short-term rentals.



## RESIDENT RESEARCH

As a research company, J Turner Research is most interested in understanding the resident perspective. How does having “guests” for a short period of time affect the residents’ attitudes about a property? We polled over 12,000 residents regarding their willingness to live in a community that allowed short-term rentals for a day/week. We conducted a similar research study in 2016.

**RESEARCH QUESTION:** *Would you be MORE or LESS willing to live in a community that allowed short-term rentals for a day/week (such as Airbnb)?*



- Residents have somewhat warmed up to the idea of short-term rentals.
- The ‘definitely nots’ have reduced from 25% in 2016 to 19% in 2019.
- More residents indicate that this is not a factor for them as compared to 2016 – it was 25% in 2016 and now it is 28%.



## STR INVENTORY vs. RESIDENT PREFERENCE

MSA	Definitely not <sup>1</sup>	STR Inventory*	Population**	STR/Population
Miami-Fort Lauderdale-Pompano Beach, FL	33%	10,643	470,914	2.26%
Las Vegas-Paradise, NV	32%	10,002	644,644	1.55%
Boston-Cambridge-Quincy, MA-NH	32%	3,430	694,583	0.49%
Colorado Springs, CO	27%	2,134	472,688	0.45%
Tampa-St. Petersburg-Clearwater, FL	26%	2,297	392,890	0.58%
Chicago-Naperville-Joliet, IL-IN-WI	26%	8,280	9,461,105	0.09%
New York-Northern New Jersey-Long Island, NY-NJ-PA	26%	37,313	8,398,748	0.44%
Raleigh-Cary, NC	25%	868	469,298	0.18%
San Jose-Sunnyvale-Santa Clara, CA	25%	2,642	1,030,119	0.26%
Washington-Arlington-Alexandria, DC-VA-MD-WV	25%	9,118	6,220,000	0.15%

**.85**

\*AIRDNA (<https://www.airdna.co>)

\*\*US Census Bureau

<sup>1</sup>Would you be more or less willing to live in a community that allowed short-term rentals for a day/week (such as Airbnb)?

Residents in cities with a high short-term rental inventory are less likely to stay in a community that allows STRs. At .85, there is a strong correlation between Metropolitan Statistical Areas (MSAs) with a high short-term rental inventory as a percentage of population and the “definitely not” respondents in these MSAs. This reinforces the importance of keeping residents informed about the STR policies at the community.



## EVOLUTION OF STR BUSINESS MODELS

Under the current market scenario, the following broad models of STR can be outlined.

1. **Direct subleasing by residents** – a model synonymous with Airbnb.
  - o Some sources believe that about 5% of units are “unofficially” on Airbnb; companies we spoke with do not legally allow it. Management companies are working to legitimize this and gain more control of the listings by working with platforms such as Pillow and Kigo or through the Airbnb Friendly Buildings Program.
2. **Partnership with turnkey STR providers** – a trending model in the industry. Companies we spoke with shared most insights on this model.
3. **Corporate housing** – a model existing for over 30 years.
4. **STR owned assets** – STR provider owns and manages properties directly. For instance, Daydream owns and manages Class A apartment properties and facilitates home sharing for residents. Airbnb has launched its own branded apartments called Niido powered by Airbnb.
5. **Housing as a service** – Offered by ROAM, in this model guests buy a monthly subscription and have the flexibility to move around the network and live in different cities for a certain number of days.

### FRAGMENTED MARKET

- Multifamily companies are testing the waters to find the most optimal STR model which makes business sense and aligns with their company's goals.
- Some industry sources predict an eventual consolidation in the market. A hotel group may purchase one or more STR players. Multifamily companies are concerned that a consolidation or an acquisition may impact the operations of their STR partner.

Turnkey Providers	     
STR Platforms	   
Resident Sublease	  

## WHY NOT DIRECT SUBLEASING?

Companies' expressed the following reservations regarding residents directly hosting guests:

- **SECURITY** - A lack of comprehensive background checks and low control over entry of guests causes reputation management concerns.
- **SENSE OF COMMUNITY** - Takes away the feeling of community as there is a constant flow of guests.
- **LOCATION FACTOR** – Not all communities are attractive; direct subleasing is suitable mostly for properties in high entertainment or core business areas.
- **REGULATORY CONSIDERATIONS** - Local regulations, homeowner's association, and/or investor limitations may restrict a community from engaging in STR.
- **LOW RETURN ON INVESTMENT** – Companies report that even while working with STR platforms that enable residents to directly sublease their units, there are a variety of logistical challenges and the return on investment is low.
- **RESIDENT PROFILE** - When a property has a more stable resident base in terms of young families, they are not necessarily looking to make money off their units.

### Direct subleasing may work if...

Offered right from lease-up and management is transparent about this arrangement. This may generate more buy-in from residents.



## STR TURNKEY PARTNERS – SUCCESS FACTORS





### WHAT MAKES STR TURNKEY PROVIDER PARTNERSHIPS WORK?

- The property is in high-demand areas – tourist or business-centric locations.
- The local regulatory environment is conducive to STR.
- When residents are informed of and are onboard with STR activity in a given community.
- STR partner shares your values and attracts guests with the same profile as your residents.
  - The STR provider should not be a "low-cost provider" in a specific area: if they list units lower than the hotel rate in the area, it may attract a profile of guests which do not match your resident profile.
- STR partner has sound working knowledge including local regulatory environment and technical expertise.
- The guest hosting workflow is well defined between the management company and the STR provider and is unique to each building.

### OPERATIONAL CONSIDERATIONS

Operational issues to take into consideration to make guest hosting seamless:

- Location of the units - Isolate the STR units in a community to not disturb residents with guest activity.
- Establish a workflow - The STR provider and the management company should define the entire workflow from building, floor, and unit access, to check-in, check-out, baggage storage and waiting area. It's an individualized process that demands time to define and must be done in accordance with the building's purpose and design.
- Resources for guests - A 24-hour helpline for STR guests.
- Internal communication - If a company has a 24-hour contact center for residents, it should be informed of the availability of STR units, as they may receive a call from a guest and must handle it appropriately.



## STR TURNKEY PARTNERS – BENEFITS

Companies who have experienced the STR turnkey model shared certain benefits of such partnerships.

### END-TO-END MANAGEMENT

End-to-end management of the entire STR process is the most commonly voiced benefit of partnership with turnkey providers.

- The provider manages the entire guest hosting process from check-in to check out, baggage storage, and waiting areas.
- The provider monitors for illegal STR activity within a community.
- A zero tolerance noise policy - Providers place noise sensors in units and if a guest is not abiding by the rules, there is regional intervention to avoid any disruption to residents.
- Strong background checks to ensure that the community is attracting the right profile of guests.

### BUSINESS BENEFITS

The most voiced argument in favor of STR providers is guaranteed lease payment at market rent for a few years with a built-in rent increase each year. The community can lease-up faster and offset operational deficiencies. Some of the key business benefits include:

- Lease at market rate
- Faster lease-up
- Guaranteed lease for an extended period of time
- Offset operational deficiencies
- 2-3% rent increase built-in each year

### REGULATORY COMPLIANCE

- Companies can select from local and national players STR providers. Both must possess a well-established public policy department.
- Local partners may have more local regulatory, zoning, and tax knowledge.
- There is a risk of partnering with an STR provider who may withdraw last minute due to changes in local laws; thus resulting in revenue loss for the company.



### AMENITY FOR RESIDENTS AND PROSPECTS

STR partnerships offer a sweet deal for residents and prospects.

- Residents can house friends and family in an STR unit at a discounted rate.
- Residents can stay at an STR unit managed by the same company at a comparative hotel rate when traveling.
- Prospects can be offered a free night's stay in STR units to get a sense of the community.

## STR TURNKEY PARTNERS – DOWNSIDE

A potentially significant challenge of STR partnerships is anticipating residents' concerns, since their thoughts and opinions might be surprising. The presence of STR units in a community may lead residents to think that a property is having issues with lease-up and they may try to renegotiate their lease. So, it is critical to generate buy-in from residents by keeping them informed of the process.



# LEGAL CONSIDERATIONS

## Deal or No Deal: Short-Term Rental Legal Considerations

*By Ayiesha Beverly, Staff Attorney, NAA*

### DEAL: SHORT-TERM RENTALS

Making the decision to enter the short-term rental marketplace and/or allow residents to use their units for short-term rentals is a big deal. Some property owners may believe that participating in this kind of marketplace is risky and creates more challenges than opportunities. Whether reserving units for short-term rentals or allowing residents to participate in short-term rental programs, property owners can mitigate risks by taking the following legal and regulatory issues into consideration.

1. Remember that some municipalities may prohibit short-term rentals in its entirety. Property owners can be subject to hefty fines if caught participating in short-term rentals. Reviewing local zoning and administrative codes is a great start. If unsure, contact the local government to determine whether (and how) they enforce short-term rentals.
2. Property owners (and/or their residents) may be required to obtain additional licenses and permits (and provide proof of such) before listing a property on a short-term rental platform.
  - a. Hotel licenses
  - b. Local and/or state business licenses
  - c. Permit requirements
  - d. You may be required to register your property and maintain official records with the local government. You may be asked to provide data on frequency of rentals, guest identification, etc.
3. Insurance is always a big factor. Property owners should call their insurance provider to determine any additional requirements needed for short-term rental hosts. Some questions to consider: Do you have the proper liability and property protections? Does your resident have the proper insurance coverage? Property owners may also want to research whether short-term rental companies offer any insurance guarantees.
4. Think about who will be responsible for screening participating guests; think about whether outsourcing guest screening is a possibility. If a property owner is reserving units for renters, the responsibility for screening lies with the property owner. However, if a property owner is allowing a resident to rent out their unit, who will be responsible for screening participating guests? Create a checklist of ideal guest criteria and guest qualifications that all residents need to abide by when selecting short-term guests.
5. Taxes! Property owners need to be aware of the following tax categories:



- a. Lodging taxes and tax registration
- b. Hotel occupancy taxes
- c. Transient occupancy tax
- d. Rental unit business taxes

### NO DEAL: SHORT-TERM RENTALS

If a property owner determines that entering the short-term rental marketplace is not for him -- or maybe it is prohibited in his jurisdiction -- there are ways a property owner can protect himself from unlawful short-term rentals.

Property owners should make sure all lease agreements with residents specifically indicate that short-term rentals are prohibited. Property owners can also make the breach of that covenant a material breach of the lease agreement, and a cause for eviction (consult local counsel to make sure that it is legal in states where only just-cause evictions are permissible). Additionally, property owners can add a clause to lease agreements that hold the resident responsible for any damages, losses, or fines that are incurred as a result of the resident's lease violation.



## COMPANY INTERVIEWS

### AMLI RESIDENTIAL

#### Direct sub-leasing takes away from the sense of community



Traci Hall, President West Region,  
AMLI Residential

*"A key challenge is quelling residents' hesitations regarding unknown renters while also dealing with residents not understanding why they can't sublet, themselves. It is critical to make residents understand how the STR program works, especially the emphasis on stringent criminal background checks."*

AMLI offers short-term rentals at about 15 communities (200 units) in partnership with providers such as Guild, Locale, Kasa, Hostiva and Sonder. Guild is a significant partner who manages all the logistics of the short-term rental. There are multiple STR companies and new ones cropping up each day.

Our residents have not been discomforted in the buildings with STR units. Occasionally, someone will have a party which might cause a problem, but those situations are very few and far between. I think the experiences have been more positive and we haven't seen many issues.

The STR providers police for illegal subleasing – they make sure that corporate providers or individual residents aren't directly sub leasing their units in our building.

We have seen success with the STR model and would consider expanding this model to a small percentage of our entire portfolio. The possibility of engaging in short-term rentals is dependent on the market. A lot of markets in which we have our properties don't allow it, they tend to get more litigious and mandate more fees and licensing which make it a challenge to operate.

We do not employ any additional staff on property to manage STR units, but occasionally we have employed third party security and cleanliness companies.

#### WHY NOT AIRBNB?

We do not allow residents to directly sublease using Airbnb or any other platforms. We want to keep the control in our pocket—we want to control how many guests are in a building at any given time. Additionally, STR providers do thorough criminal background checks.

We understand that subleasing is an attractive option for residents as they make extra money, especially the ones who travel frequently. "If I travel 70 percent of the time, I might think about using provider such as Pillow to list my apartment on Airbnb. I can get a guest in there while I'm traveling and suddenly, I can afford \$6,000 a month apartment vs. a \$4,000 because I'm going to make that extra money on it. But in this case, rather than residents in a building there are nightly guests, so it takes



away from the sense of community. That's why we want to control how many guests are in any of our buildings at any time and we don't want to allow everybody to do it.

#### GETTING RESIDENTS ON YOUR SIDE

A key challenge is quelling residents' hesitations regarding unknown renters while also managing residents who do not understand why they can't sublease. It is critical to educate residents about the STR program, especially the emphasis on stringent criminal background checks.

We had town hall meetings with our residents to educate them on the program. We also pass on the benefits of STR partnerships to residents. For instance, if one of our residents in Austin is going to Miami on vacation; they may get a 25 percent discount on a Guild unit in Miami.

#### SECURITY – CONTROLLED ACCESS

AMLI and Guild have a controlled access arrangement regarding how renters can access their keys or fobs. Our communities do not have keyless entry technology, so we use a vending machine system for renters to acquire their fobs. Sometimes guests who arrive after office hours may need assistance, so we have an afterhours phone number they can reach.



There is no one size fits all. Every single building is different and not all buildings are designed for keyless entry. So how you get into the building could be complicated from a controlled access standpoint. "For instance, I might have elevated access Well you can't put a code on the front door because you have to get in an elevator to get on the floor and you need a fob to get there. So how do you get the fob to the person?" You have to work through operational challenges like this.

Another challenge is cleanliness in the common area spaces which we manage occasionally by employing third party cleanliness services. There is additional wear and tear of amenities with nightly guests which also needs to be addressed.

#### MILLENNIALS LEAD THE WAY

Millennials are more accepting of the shared economy model as they are more used to it. Our average age group is 25 to 34 and I would say probably nearer to the higher end of that. As time goes by, people will get more accepting of the STR model.

## BOZZUTO MANAGEMENT GROUP

### Identifying the right short-term rental partner is critical



*"It is critical to identify and align with the right STR partner. Having relevant facets and policies in place, including price, ensures Bozzuto reaches their target demographic."*

Bozzuto has buildings where short-term rental (STR) providers such as Lyric, Domio and Sonder are operating. They currently have nearly 100 residence units

participating in the STR model and anticipate an increase to 200-300 by the end of the year. Bozzuto does not allow residents to sublease their own apartments via Airbnb or any other players.

It is critical to identify and align with the right STR partner. Having relevant facets and policies in place, including price, ensures you are reaching your target demographic. At the operational level, it is important to remember most buildings are not designed with the STR model in mind. The client and the STR provider must work in tandem to define the entire workflow, preparing for every step of the resident experience from check-in to baggage storage. This individualized process differs from building to building.

Bozzuto went through a rigorous request for proposal (RFP) process to better understand the offerings. STR providers were invited to present to the Bozzuto committee, explaining their approach to criteria including overall company focus, staffing models, background check processes, booking process, compliance and regulation, public policy department and technology processes. A key criterion for STR partner selection was a strong knowledge of local regulatory compliance and laws for the municipalities in which the building resides, as well as proactively working with the government.

An interesting short-term rental model to consider is housing as a service. In this flexible leasing model, guests buy a monthly subscription and have the flexibility to move around the network, able to live in different cities for a specified number of days. Currently, Bozzuto does not participate in this but sees it as an intriguing concept.

From the resident perspective, it is important to anticipate their concerns and opinions towards STR. During the early days, figuring out an effective check-out flow was an operational challenge. While check-in is staggered, check-outs are primarily simultaneous. Guests might have different flight times and may want to store their luggage or need a place to congregate while they wait.

Bozzuto strives to be transparent with residents beginning with their initial tour of a community that engages in short-term rentals. Some STR providers even host events where they offer their direct contact information and address any questions or concerns.

The client benefits of the STR model are primarily financial. By having a master lease on designated apartment units, the client can stabilize more quickly, have lower vacancy and offset some operational deficiencies. For the residents, it is an added amenity. A discount is offered to residents who may want to rent those units for visiting friends and family, or rent other Bozzuto STR units while traveling so they may have the comfort of staying in a Bozzuto community.





Two significant STR challenges are security and managing noise disturbances. It is essential to partner with companies who have security measures in place such as background checks, self-verification and same-day or same-city booking restrictions. The providers should also have noise-aware sensors and a strict zero tolerance policy on parties.

Some industry sources predict an eventual consolidation in the market at some point in the future. For example, Marriott, or another large hotel group, may purchase some of the larger STR players and/or a player may go to IPO. However, if there is a consolidation or an acquisition, will they remain as a standalone company? Will they operate in the same way? Therein lies Bozzuto's concern. Industry sources believe that nothing would change for Bozzuto. If the operation of a company doesn't change, then it's not of significant consequence.



## CORTLAND

### Property location determines attractiveness for short-term rentals



Mike Gomes, Chief Experience Officer, Cortland

*"We see very limited demand among both residents and travelers for short-term rentals across our entire portfolio of mostly suburban communities."*

Cortland's rental communities are primarily in suburban, non-core-business or entertainment districts. Therefore, they don't generally have the portfolio of homes that have made short-term rentals an attractive option for leisure and business travelers. However, Cortland did start exploring Airbnb's Friendly Buildings Program for some of their properties. This would allow communities to engage in short-term rentals openly and transparently with residents but to have certain controls. Controls may include allowing only a certain number of units to be rented at one time, restrictions on how many times a year a particular unit can be rented, the community to have visibility into rental listings, and only offering listings in one block or area of the community to contain the more transient feeling of new faces.

In exploring options with Airbnb, it was identified that a very low percentage of Cortland's 50,000 apartment units had been listed on Airbnb at any time during 2018. Also, for certain properties that may be attractive from a short-term rental standpoint, there are sometimes homeowner's association limitations or investor partner covenants that prohibit short-term rentals.

Two potentially attractive properties for short-term rentals are located in Atlanta and Dallas. Cortland has signed a deal with Stay Alfred for the property in Atlanta as a pilot before considering short-term rentals at any other communities Cortland owns or may acquire in attractive locations. Stay Alfred provides turnkey short-term rental services for the property across approximately 10 apartment units. They furnish them, and control the listings, housekeeping, background checks, noise monitoring, etc. The more urban locations of this community make profitable short-term rentals possible, and the partnership takes the hassle away from Cortland and guarantees a lease and therefore profit for those units.

There is benefit for residents too. You can inform your residents that there are a certain number of units Cortland is leasing on a more short-term basis. So, if residents have a friend or a family member visiting, we can offer them a short-term rental room at a discounted price. For instance, if a resident has a one-bedroom apartment and has parents who've come for a visit, instead of putting them up in a hotel, they can stay in the building in a furnished apartment.

The reason why Cortland typically does not openly allow short-term leasing is like everybody else in the industry—because we don't want to have this transient notion of every given day there's different people coming in and out of certain apartments. To a certain extent, companies can mitigate residents' hesitation regarding guest flow through the placement of the units. The objective is a certain level of appropriate isolation to limit the activity of guests by placing all STR units on a floor, so that residents



are less exposed to the coming and going of guests. Plus, companies in this space are offering turnkey services to not just address the needs of the short-term renter, but also the concerns of Cortland and other management companies.

One final model that Cortland may explore is a sort of Corporate Housing meets Preferred Employer Program rental arrangement. Many of their properties are located in suburban areas with large employers. Those companies often recruit employees who need to relocate. Cortland is interested in exploring a more stable short-term rental arrangement for those types of residents who are relocating to a new city and need to get their bearings before making a more final housing decision.

### EXPERIENCE WITH AIRBNB

We have over 50,000 apartment homes. When we were considering the Airbnb Friendly Buildings Program, we provided them addresses of our entire portfolio. What we found was that for the entire 2018 calendar year, only a very small number of apartment units across our entire portfolio had been listed on Airbnb by any of our residents. In doing so, residents were violating the terms of their lease which they were either doing intentionally or unknowingly—it's possible that they didn't really read the entire lease, so they didn't even know that it was a restriction. We made our regional teams aware of this violation and they handled it at their level. The teams regularly monitor any restricted listing of our units on Airbnb.



With only a small number of our units listed on Airbnb, we knew that the current demand for our properties for short-term rentals is relatively low. This reinforced our belief that we did not have the right portfolio mix for short-term rentals at this time. We've got a little bit more of a stable base of residents. Because we're in the suburbs, we've got folks that themselves are a little more stable such as couples and many young families that are less interested in trying to figure out how to make money out of their living space.

We chose not to join the Airbnb Friendly Buildings Program. However, we do have a couple of properties in attractive locations such as a business district in Atlanta where we have begun to offer short-term rentals through a third-party turnkey service. As we learn from that experience and see how both the short-term rental market and our portfolio evolve, we will be able to better forecast the potential opportunity for Cortland.

## CONTACT US



RESEARCH@JTURNERRESEARCH.COM



WWW.JTURNERRESEARCH.COM



+1 (281) 558 4840



**J TURNER**  
— RESEARCH