



# TRENDS IN THE ALTERNATIVE ACCOMODATION INDUSTRY

*You decide on a whim to fly to Morocco. You grab your smartphone and in one swoop, book your flight, a room in a house with a nice family, and dinner at a local restaurant. Not only have you just set out on the most unique travel experience one can find, you saved hundreds of dollars doing so...*

Modern travelers are seeking unique experiences. Advancements in the alternative accommodations industry are making it easier for them to shop for everything in one place. Platforms like AirBnB not only offer a different kind of stay for the adventurous, they also offer the most affordable rates.

This does not mean hotels will be going anywhere anytime soon. In fact, they are performing better than ever. If they want to stay competitive in the market, however, they will have to offer customers a unique experience, instead of the cookie-cutter rooms we have today.

## Alternative Accomodations

- What are They?
- A Brief History
- Private vs. Professional

Graph of the Different Types of  
Vacation Rental Sites

## When to Choose What

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- Vacation
- Location
- Length of Stay
- Cost Comparison
- Legislature
- Customer Service
- Agency vs. Private



## WHAT ARE THEY?

Alternative accommodations, also known as short-term rentals, vacation rentals, and/or homeshares, are considered an alternative to staying in a hotel during travel. In the United States alone, private accommodation rentals tallied about \$32 billion in 2016, and the industry is growing.

So the next time you are about to book an accommodation, you have quite a choice. And in addition to all the different types of places to stay, the internet offers a slew of ways in which to find them.

The rise in the alternative accommodation industry is partially due to the development of so many online platforms. Additionally, the sites that have been around for awhile are also vastly improving. Umbrella platforms like AirBnB and Expedia have drastically improved their payment structure, media library, and customer service, making it much easier and safer to book an alternative accommodation.

In order to understand your options, you should be aware of the different types of alternative accommodations there are on the market:

1. Furnished apartments in a residential building
2. A single furnished room within the home of the owner (co-living)
3. Furnished house or cabin
4. Room rental in an extended stay hotel

*in 2016,  
private  
accommodation  
rentals tallied*

**\$32  
billion**



*Companies that list their units on short-term rental platforms do not have the 30-day stay restrictions*

## A BRIEF HISTORY

10-15 years ago the market barely existed, but alternative accommodations have been around for decades. For short-term stays (14-90 days), the Corporate Housing Industry was established over 40 years ago and today thrives as the Corporate Housing Providers Association (CHPA) where they oversee the standards and practices for business accommodations.

Today, there are numerous corporate housing companies operating across the industry with many requiring a minimum stay of 30-days. A few years back, these companies began to list their properties on short-term rental websites. The companies that list their units on short-term rental platforms do not have the 30-day stay restrictions.

Some corporate housing companies have a national or even an international reach and some are smaller local providers that operate in a single city or state. Corporate housing companies usually have a professional service staff supporting their operations. In most cases, they also have staff that can serve in an emergency or with other issues that may arise during the stay. Renting an apartment from such a company can be a very different experience than using a private residence.

The industry has also changed in the sense that making a reservation for alternative accommodations was also not as safe and convenient as it is now. Not long ago, there were only hotels available for the broad travel audience and if you wanted something other than a that, you had to be very targeted in your search—or "know someone." Upon using something other than a hotel, there was always a factor of safety and trust.



One of the reasons why AirBnB became so increasingly popular is because they offer an unparalleled level of safety and convenience that had been unmatched in the industry. AirBnB was the first company to make it safe and easy to rent an alternative accommodation and they are partly responsible for the popularity of the industry today.

The industry has evolved with the development of peer-to-peer platforms like Airbnb, where regular people can rent out their own accommodations to a peer network. Corporate housing agencies are also advertising on these platforms and often it can be hard to tell the difference between a private rental and that of an agency.

*A sign of good availability are "business-ready" listings*

## PRIVATE VS. PROFESSIONAL

Depending on the type of rental you need may also determine whether you want to go the private route or hire a professional agency. This involves either renting the space from someone while they live in it, or from a professional agency that rents it out 365 days a year.

There are many perks to having a pro. One very important difference between a private individual and a professional agency is that you never have to share the space with an actual person (since units are for rent year round).

Additionally, private residences may not always be as trustworthy when it comes to honoring reservations. When booking private, it may be wise to have a plan B, like a hotel reservation with a mild cancellation policy. Sites like Airbnb have cut down on this risk, but it still tends to happen.



In some cases, it works fine to rent from a private individual because the person is well organized, has good reviews, and respects reservations. Recently, AirBnB has set a limit to 3 times that a guest has the ability to cancel without penalty—even with a mild cancellation policy.

Some corporate housing companies are now renting out on Airbnb as a "business ready listing." That is a sign that the listing provides certain basic requirements like 24-hour check-in and wifi services. Additionally, private individuals are finding success with the business aspect of AirBnB as well. If somebody is a "Superhost" on the site, this is also indicative that they are trustworthy and will honor the reservation.

When it comes to apartment sharing (renting a room from the resident and living there), the situation is a little different. Airbnb and Wimdu are two major companies that provide this option—and with great success. This is a very different experience overall as you are sharing a space with the lister, rather than simply renting it from them.

This option has worked out great for the single traveler that seeks total submersion in the local culture and looks for social elements within their trip. It also surpasses many local laws that restrict some of these alternative housing situations. Therefore, it is important to know the pros and cons of alternative accommodations when planning your trip.

## WHEN TO CHOOSE WHAT

In order to understand if alternative accommodations will work, you should first know there are a lot of factors that go into choosing your lodging options.



- Is it business or pleasure?
- How long is your trip?
- What level of service do you seek?
- How comfortable are you with sharing?
- What is your budget?

In most cases, the purpose of the trip and the length of stay will establish early on what your best option is. Usually, hotels are still the easiest and preferred choice. In order to begin answering these questions, let's look into the various elements to consider when planning your stay.

## Business

If it is a business trip, the traveler may be required to follow corporate agreements as part of their business travel program. But increasingly, alternative accommodations are becoming a part of the new corporate travel programs, and thus can also be considered. In fact, AirBnB has contracted with many companies (like AMEX) to make corporate travel that much easier.

If it is a business trip and the purpose is to attend a conference, hotel prices can be astronomical. In such cases, alternative accommodations are the perfect way to save money. Additionally, these types of accommodations can be great if you are in a group that is traveling and needs to work closely together, or you are working with a limited budget.

*Companies that list their units on short-term rental platforms do not have the 30-day stay restrictions*



## Family/Group Travel

Perhaps out of any type of traveler, the "group unit" benefits the most from alternative accommodations, in a variety of ways. It is with this travel group that the product has seen its biggest growth and the main reason is that the model just works better on so many levels.

- Bigger space for less money
- Shared living environments
- Increased group activities
- Cooking meals together
- Heightened sense of togetherness

The feeling of having your own home during group travel is hard to beat and it has a big social connectivity advantage as well.

## Location

One major benefit of alternative accommodations that is rarely discussed, is location. You may really want to check out a spot, but there are simply no hotels within the vicinity. It is in this instance, that alternative options come nicely into play. There may not be a motel in the quiet canyon, but there may be a person with a house willing to share a spot.

*A.A. offer a solution to the "home away from home" need of long stays.*





## Length of Stay

This detail factors in heavily when it comes to whether you seek alternative accommodations on your trip. Usually, the longer your stay, the more money you will save if you look outside of a hotel setting. Additionally, the privacy and convenience of having a long-term stay in a home-like setting versus that of a hotel are almost incomparable.

This is the exact reason why the industry of corporate housing was invented. When people travel for long periods of time, the hotel environment tends to work for them less and less. Alternative accommodations offer a solution to the "home away from home" need of long stays.

## Cost Comparison

In many ways, the question of price cannot be separated from the question of size. You might be looking at \$150 per night for an apartment that you like and a hotel room that fits your needs, but the apartment is double or triple the size. Therefore, when looking for accommodations, consider what you are getting for the price and if your needs are being met.

## Legislature

Unlike the hotel industry, the laws differ by state and region. Some alternative accommodations may actually be illegal and it is important to understand the legislature in the cities you wish to visit.

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There has been some pushback from governments on the practice of subletting apartments for short-term and vacation rentals in certain cities, both in the US and in Europe. These restrictions are not always uniform and can also be confusing. Factors like location, type of house, and length of stay are all taken into consideration.

**Some of the cities with restrictions include:**

- New York
- New Orleans
- San Francisco
- Palm Springs
- Maui
- Miami
- Paris
- Barcelona

In these cities, it is very important to know what is legally OK to do, and what is not. If you rent an apartment in one of these cities and you are breaking the law, you can stand the chance of losing your accommodation. Airbnb has a complete list of city regulations you can consult if you are not sure on the legality of your accommodation.

*Are you  
renting  
private or  
by  
agency?*



## Customer Service

Your need for additional staff and service should also be taken into consideration when scheduling your trip. The nightmare situation is that you rent an apartment from somebody that is out of the country, the pipes burst, and the apartment floods. Who will come and save you?

There is a huge difference between on-site and off-site customer service. In many cases, simply booking through a platform may not provide the level of attention you need. An agency can provide on-site guest services much like that of a hotel. This can include everything from extra towels and a turndown service to a concierge.

Guest services should be a crucial reflection when choosing between the various alternative accommodations. Since there are mainly two types of renters, the individual and the professional agency with an organization behind it, sometimes paying a bit more and renting from an agency is your best bet.

## Agency vs. Private

It's important to know if you are renting from an agency or an individual. How do you know the difference on booking sites? If you are on Airbnb you can ask, and sometimes it appears on the listing. There are also articles in their help center on AirBnB for Business if you have further questions on that too. You can also Google agencies with keywords like "temporary housing," "corporate housing," or "furnished apartments."

An agency's individual website can help you discover where they offer alternative accommodations. In some cases, you can book directly on their site, in others, they will provide resources for a third party platform.



## DIFFERENT TYPES OF VACATION RENTAL SITES

Vacation Rental Sites	Booking	Listings	Payments	Cancellations	Guarantees	Insurance	Reviews	Apps
<b>Standard Vacation Rental Listings</b>								
<ul style="list-style-type: none"> <li>Homeaway</li> <li>VRBO</li> <li>Tripping</li> </ul>	instant and request to book	houses, furnished apt	full payment protection	% of refund depends on days before	security deposit, emergency booking, pay plan protection	loss reimbursement, alt lodging, rebooking	guest reviews and host comments	many
<b>Peer-to-Peer Networking Sites</b>								
<ul style="list-style-type: none"> <li>Airbnb</li> <li>Wimdu</li> <li>Roomorama</li> </ul>	instant and request to book	room, apt, house, business listing	payment made upfront to site, owner then paid	vary by listing and owner	24-hour response, security deposit, pay plan protection	AirBnB - loss reimbursement up to \$1 mill.	peer to peer reviews	many
<b>Niche Vacation Rental Listings</b>								
<ul style="list-style-type: none"> <li>Oasis</li> <li>One Fine Stay</li> <li>Mister B&amp;B</li> </ul>	instant and request to book	room, apt, house, business listing	vary by site	vary by site	vary by site	vary by site	guest reviews and host comments	not typically
<b>Online Travel Agencies (OTAs)</b>								
<ul style="list-style-type: none"> <li>Booking</li> <li>Expedia</li> <li>Travelocity</li> </ul>	instant	houses, furnished apt, business	hotel collects and sites collect	notice required - differs by site	loss reimbursement, alt lodging, rebooking	vary by site	guest reviews and host comments	many
<b>Long-Term Stay Booking Sites</b>								
<ul style="list-style-type: none"> <li>Dharma Home Suites</li> <li>UrbanDoor</li> <li>Homesuite</li> </ul>	instant and request to book	houses, furnished apt, business	payment varies by site	vary by site	security deposit, emergency booking, pay plan protection	available with select providers	vary by site	vary by site

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<https://www.chpaonline.org/the-voice-of-the-corporate-housing-industry/>  
[www.airbnb.com](http://www.airbnb.com)  
<https://www.airbnb.com/help/article/828/what-is-a-superhost>  
<http://www.wimdu.com/>  
<http://www.nolo.com/legal-encyclopedia/legal-restrictions-renting-your-home-airbnb-other-rental-services.html>  
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[www.homeaway.com](http://www.homeaway.com)  
[www.vrbo.com](http://www.vrbo.com)  
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[www.wimdu.com](http://www.wimdu.com)  
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<https://oasiscollections.com/>  
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