



## YouRent may prove short-term rental platforms aren't created equal

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A peek inside one of YouRent's vacation rental units. Courtesy of YouRent.

The advent of the home-sharing economy has prompted many travelers to reconsider renting traditional homes or condominiums in lieu of hotels. With bigger units, better values and a whole range of amenities, the vacation rental industry is growing faster than ever.

While some cities are quick to denounce platforms like Airbnb and VRBO for their lack of regulation, some short-term rental platforms – like YouRent – are doing it by the book, and creating a different kind of vacation rental industry in the process.

"What we do is we look for opportunities where there's a heavy supply of residential inventory in an area that's high-density, high traffic and up-and-coming, and then convert it into stay inventory," said Brian Ferdinand, the chief operating officer of YouRent. "Unlike Airbnb properties, we're creating a standardization of quality and customer experience, and replicating that in each of our buildings."

[YouRent](#), a short-term rental platform that got its start in Miami Beach and has since expanded to Nashville, Denver and Los Angeles, focuses on partnering with large property owners like equity funds and real estate investment groups, and acquiring master leases in their partners' properties. Rather than owning a single unit in a building, YouRent takes over large blocks of that building's available units, and then refurbishes those spaces to offer a standardized vacation rental product.

"We've engineered partnerships with global companies that have hundreds of thousands of units and multi-billion dollar portfolios," said Ferdinand. "We can provide big benefits for them, as they can for us."

That's certainly the case for New York-based [Infinity Group](#), who has partnered with YouRent and other similar short-term rental platforms to enhance the rental value of their properties. "As opposed to dealing with multiple tenants, partnering with YouRent means we're dealing with one operator with a commercial lease and it allows a single point of contact to absorb vacancy and operate the property itself, so the costs are lower," said David Berg, the director of investments at Infinity Group.

Though YouRent has significantly altered its short-term rental business by solely providing standardized vacation rental product in Class A neighborhoods, they've haven't exactly re-invented the wheel when it comes to marketing its hospitality inventory.

"Part of our business is building the inventory in those partnerships and the other is heavily weighted on marketing and distribution technology," said Ferdinand. "Our properties are listed on just about every single distribution channel: Expedia, Hotels.com, Travelocity, Booking.com, Airbnb, VRBO. We go to every single vacation channel and partner with them."

Another crucial aspect of their business?

YouRent uses data that captures the value proposition of working with short-term platforms, so they can accurately and definitively measure the impact a partnership can have on larger real estate investor portfolios.

"We're working with several institutional investors that acquire new properties, and we possess short term rental performance data that allows us to determine the real rental values, the ability for investors to acquire new properties," said Ferdinand. "In some instances, that's allowed our partners to bring up their overall rental rates."

In fact, Berg said the opportunity to work with short-term rental platforms like YouRent has altered the firm's real estate acquisition strategy. "We're a very active buyer, and partnerships like the one with YouRent allow us to look at properties in a different, more unique way, and analyze them how we would a commercial property," he said.

Most critics of short-term rental platforms like Airbnb may be wondering how YouRent gets around strict short-term rental limitations, particularly in Miami Beach. The city has strict zoning laws that only allow short term rentals in certain areas, and YouRent has been careful to adhere to Miami beach's strict requirements.

"We only operate in legally licensed buildings, there's about 40-45 buildings in which you can do it in Miami Beach," said Ferdinand. "We register with all the tax authorities and have the proper permitting, and we're strong advocates for compliance and regulation across the board in short term lodging."

While YouRent is certainly adding to the vacation rental landscape, it's unlikely that the platform will replace the traditional hotel industry. "I think there's space for this type of platform, but there's different classes and clientele and demand pools for various types of properties, so I don't think hotels are going anywhere," said Berg.

Others might disagree. Vinney Pique, the head of operations at 20/30 Fast Track in Nashville, said he almost exclusively uses the YouRent platform when hosting clients. "Eighty percent of my use is for clients, and I really prefer YouRent because I'm often able to rent larger spaces," said Pique. "They have a built-in office with all the amenities and convenience of a hotel, and it drives down costs on their bottom line."

Ferdinand remains confident that YouRent will become a major player in the future of the hospitality industry. "There's been an entire marketplace created through these channels where you have businesses like ours that are taking real estate inventory traditionally used for travel inventory and re-purposing it for new use," said Ferdinand. "It's a very new and exciting business."

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