

TRAVEL AND HOSPITALITY

## Marriott makes home-sharing move as rental market grows

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Homes & Villas property in Anguilla. Image courtesy of Marriott International

By SARAH JONES

Hotel group Marriott International is embracing the sharing economy with a new rental division poised to compete with hospitality disruptors such as Airbnb.

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Dubbed Homes & Villas by Marriott International, the platform will enable consumers to rent properties from third-party companies through the world's largest hotel group. While other hospitality companies have added rental firms to their portfolios, and Marriott has tested a similar concept in Europe, this will mark the first United States rental platform powered by a hotel operator.

"Marriott International has an ongoing commitment to innovating on behalf of the members of our travel program, Marriott Bonvoy, and all our guests as their travel needs evolve," said Dan Forman, spokesperson for **Marriott International**, Bethesda, MD. "We feel the time is right to launch Homes & Villas by Marriott International after carefully surveying the home rental market for several years, launching a successful pilot in Europe last year and identifying trusted property management companies that could help us provide an elevated offering."

### Home meets hospitality

Homes & Villas' rentals will include more than 2,000 properties reportedly ranging from \$200 to \$10,000 per night, with a minimum stay of three nights. This is reflective of Marriott's hotel portfolio, which offers both accessible and luxury stays.

The initiative is launching in 100 markets in the United States, Latin America, The Caribbean and Europe. Among the homes available are an 18th century Irish Castle and an oceanfront villa in Anguilla that includes a butler and house staff.

Rather than allowing property owners to rent directly, Marriott is working with third parties including TurnKey Vacation Rentals and LaCure, who vet homes and take care of the services, such as replacing linens.

"This curated selection of homes aims to connect travelers to thousands of homes around the world and set the stage for guests' most treasured travel moments home-cooked dinners with extended family, a game of tag in the

backyard or celebrating a milestone birthday with family and friends," Mr. Forman said.

Marriott announced Homes & Villas on April 29, and will officially launch the division next week.

While Homes & Villas will have its own dedicated Web site for booking, Marriott will be using its hotel search platform to drive traffic to the rentals. Consumers who search for a room for three nights or more in a market where rentals are an option will be shown home sharing listings.

This is not Marriott's first move into home sharing. The company previously tested a home sharing service in Europe with approximately 340 properties in partnership with Hostmaker.

The pilot program began in London in 2018, and expanded to markets including Lisbon, Paris and Rome.



*Tribute Portfolio Homes property in Lisbon. Image courtesy of Marriott International*

The previous home sharing service was marketed as Tribute Portfolio Homes, taking its name from the premium, independent hotel chain.

With the pilot program, Marriott found that those who booked rentals tended to have stays that were three times longer, and they also sought more room than those who opted for hotels. This venture therefore enabled it to serve a greater variety of needs, with properties featuring full kitchens and round-the-clock assistance.

Gleaning information from how consumers used the pilot rental service, the Homes & Villas properties tend to include at least one bedroom and in-unit laundry.

Marriott saw Tribute Portfolio Homes as more complementary rather than competitive to its existing hotels. Ninety percent of those who took advantage of the pilot were members of Marriott's loyalty program, and consumers could book properties using rewards points.

With Homes & Villas, consumers will also be able to earn and use points when booking.

For Marriott, home sharing enables it to capture the bookings that consumers would be otherwise be making with other services.

"We understand that our guests at times may need more room and some of the amenities of home while traveling with family or in groups, and Homes & Villas by Marriott International provides options that meet those needs," Mr. Forman said.

"Our main advantage is that we have 125 million members of Marriott Bonvoy, many of whom already are accustomed to booking rental homes," he said. "Now they can book a rental home with us, and in the process, earn and redeem Marriott Bonvoy points to use for free stays or member-exclusive experiences only available on Marriott Bonvoy Moments.

"Another advantage is that each rental property under Homes & Villas by Marriott International will be professionally managed by a trusted property management company, who will provide guests a professionally cleaned home with 24/7 support, high-speed Wi-Fi, premium linens and amenities and family-friendly conveniences upon request. Standards matter, and we are backing our offering up with the power and trust of the Marriott International brand."

Other hotel chains have seen the potential in home sharing.

In 2016, Fairmont's parent company AccorHotels purchased a 100 percent stake in onefinestay, an upscale home rental firm ([see story](#)). However, in its earnings report for the third quarter of 2018, the company said that

onfinestay's performance had been negative.

Since its founding about a decade ago, Airbnb says it has seen 500 million guests use its platform, and the company today has more than 6 million properties registered in 1,000 cities. Comparatively, Marriott currently has 7,000 properties, with 1.3 million rooms across 130 countries.

Airbnb has also moved further into the hotel business with the acquisition of HotelTonight, which enables consumers to book rooms at the last minute.

"So many travelers today love the idea of a truly localized travel experience, which makes the concept of home sharing so attractive," said Damon Banks, editor in chief of [LuxeGetaways Magazine](#). "Marriott, as a brand, has always been one to think outside the box and create trends, so it is not surprising to see them now providing yet another option for travelers looking for the security of booking with a brand that they already know and trust.

"There will always be a great desire for the level of services we expect at the Marriott full service properties, but travelers will now have yet another option when planning their next getaway all under the Marriott umbrella," he said."

#### Sharing economy

Despite the rise of the sharing economy and alternative accommodations, traditional hotels remain the primary choice for travelers, with 72 percent staying at a hotel last year compared to just 20 percent that used shared accommodations, according to data from MMGY Global ([see story](#)).

Home-sharing service Airbnb recently announced a number of new services to attract wealthy travelers to luxury homes and hotels.

After years of hotels unofficially offering their rooms through Airbnb, the service is now allowing for more specialized searches for customers looking specifically for hotels rather than a room in someone's home. Additionally, a service called Airbnb Plus will connect affluent travelers with luxury accommodations, blurring the line between Airbnb and other high-end, luxury hotel services ([see story](#)).

"This is where society is going," said Marie Driscoll, managing director luxury and fashion, [Coresight Research](#), New York. "What people want from travel experiences is changing.

"This is Marriott's response to alternative desires and provides consumers with more options," she said. "Rather than a pampering at the Ritz-Carlton, this alternative allows travelers to experience a home away from home."

"This move gives Marriott access to a younger and more adventurous consumer. It also shows a willingness to disrupt itself, which is very forward thinking."