



2016

# CHBO Corporate Housing Real Estate Report

*Results of the CHBO  
Corporate Housing Survey*



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# 2016 Corporate Housing Real Estate Report

*Annual Survey Results for the  
Independent Corporate Housing Real Estate Segment*



January 15, 2017

Dear CHBO Corporate Housing Community,

We're excited to share the results from our annual corporate housing real estate survey—now in its eighth year. As you look for ways to take advantage of trends and be more successful with your rentals, we hope our **2016 Corporate Housing Real Estate Report** offers great insights.

Once again, we received hundreds of responses to our survey. In fact, we hit an all-time high for responses this year, so you must find this data important. Our thanks to everyone who took the time to complete our survey!

## Noteworthy Trends in 2016

Here are some of the more interesting trends we observed in 2016:

- **Healthcare travel jumped to 34% (up 10% over 2015).** If there are significant changes to the national healthcare laws, we expect to see future volatility in the need to travel for healthcare services. What does this mean for you? If your rental property is located near healthcare facilities or wellness centers, be sure you have healthcare words in your listing.
- **We're seeing more cities put regulations in place that affect non-primary residences and short-term rental properties.** While this has been going on in some cities for a while (such as San Francisco, Chicago and New York), other cities with tight housing markets (such as Denver) have put new rules in place. Be sure you're up-to-speed on your city's requirements—some of which may be brand new.
- **Amenities are changing with the times.** In the early years of our survey, nearly 50% of property owners included phones with their rentals. Today that number is only 22%. In recent years, we've also seen big increases in those offering Wi-Fi and streaming entertainment services, such as Netflix, to make their properties more appealing.

### Why This Report Is Special

- **This report offers a unique perspective.** It reflects input from independent owners and property managers, rather than full-service corporate housing companies.
- **Our survey is open to anyone who owned or managed a furnished, monthly residential rental in 2016.** (It isn't just for CHBO users.) Our goal is to get the best snapshot of the independent corporate housing segment, so you can learn from relevant trends and achieve greater success.

## Where to Turn for More Information

We love helping people find new information and tools that can get their properties rented. I invite you to contact us to discuss the findings in this report or to learn about trends in your market. Our CHBO Property Specialists speak with independent owners and managers every day, and we welcome your call.

To take next year's survey, please visit our website in November 2017: [CorporateHousingbyOwner.com](http://CorporateHousingbyOwner.com). In the meantime, if you have any questions, simply give us a ring at: **(877) 333-2426**.

Sincerely,

Kimberly Smith, CCHP

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# **Executive Summary**

## Survey Respondents

- **Property Locations.** In 2016, we had the highest response rate ever for our survey. Hundreds of property owners and real estate managers from 38 states and the District of Columbia participated. The highest response rates came from those in California, Colorado, Washington, Texas, Georgia and Florida.
- **Number of Properties.** 81% of survey respondents have one to five rental units, and 46% have one property only. (The responses in this report truly reflect the independent corporate housing real estate segment.)
- **Years as a Corporate Housing Landlord.** With interest rates remaining relatively stable, new landlords are entering the market. 60% of respondents say they've been furnished landlords for four years or less. 32% have been landlords for one year or less—the highest percentage since 2010.
- **Reasons for Being a Corporate Housing Landlord.** The majority of respondents tell us they are landlords for investment purposes. In 2016, that response reached an all-time high of 60%. Those who say they're landlords because they can't sell reached an all-time low of 3%.
- **Corporate Housing Terminology.** 73% of respondents list their rentals as “corporate housing,” down from 81% in 2015. Once again, the second most popular term is “furnished rentals.”

## Outlook and Profitability

- **Outlook for 2016.** The number of respondents who say the future looks “much better” than last year dropped to 17%, down from 21% in 2015. The number of respondents who say they are “not sure” about the future rose to 22%. This may be a result of uncertainty following recent elections.
- **Profitability.** For the fifth consecutive year, more than nine out of 10 respondents report their properties are profitable or breakeven. In 2016, profitability went back up. 74% of respondents say they had profitable rentals—up from 67% in 2015.
- **Investment Real Estate Trends.** 42% of respondents say they plan on buying more real estate. In 2016, the number of respondents who say they're done with real estate investing slightly increased.

## Rental Rates

- **Variance: Changes in Rental Rates.** 34% of respondents report charging higher or much higher rental rates in 2016—down 5% from 2015. 9% say they had “lower” or “much lower” rates than the previous year—up from only 4% in 2015. (We saw the market soften in 2016, particularly on the East Coast of the United States.)
- **Actual Rental Rates.** Compared to our 2015 survey results, rental rates were softer overall in 2016—with the exception of rental rates for studios and two-bedroom properties, which saw slight increases.
- **New! Annual Occupancy.** One out of two respondents had an occupancy of 85% or higher. That means one out of two respondents had properties rented less than 85% of the time, which is significantly below the industry average. However, it's important to note that only 60% of respondents to this real estate survey treat their property as a full-time investment property.
- **Rental Discounts.** Over the last few years, the number of owners offering discounts for longer-term leases has been in decline. In 2016, we saw an all-time high of 43% of respondents who don't offer a discount. Among property owners who do offer discounts, their discounts are typically small. Four out of five offer a discount of 9% or less.

## Property Management Trends

- **Management of a Property.** Consistent with 2015, 92% of respondents say they do their property management themselves. The number of property owners who use a property manager also stayed consistent at 11%.
- **Property Management Software.** The majority of property owners (59%) do not use any type of property management software. Those who use software tend to use basic spreadsheets (25%) or accounting software such as QuickBooks™ (15%).
- **New! Property Apps for Mobile Devices.** This year we started asking about the mobile apps you use to manage your corporate housing rental. Surprisingly high, 68% of respondents say they never use them.
- **Rental Documents.** 34% of respondents say they wrote their own rental documents, 30% use documents from CHBO, and 30% use documents they found on the Internet.
- **Leasing Trends.** Only 43% of respondents say they meet their clients face to face before leasing their properties—an all-time low. In 2016, both email and phone communication increased as methods to communicate with potential renters.

## Properties

- **Property Size / Number of Bedrooms.** 35% of respondents say they have two-bedroom properties, followed by 24% who have one-bedroom properties. 33% of respondents say they offer rental properties that include three bedrooms or more. These latter types of lodging options are virtually non-existent among full-service corporate housing companies.
- **New! Property Size / Square Footage.** The highest number of respondents (44%) say their properties are 1,000 to 1,999 square feet.
- **Property Type.** 34% of the properties accounted for in 2016 are single-family homes and 30% are condos. We continue to see great diversity in the types of properties offered through the independent corporate housing real estate segment.
- **Property Location.** Down slightly from 2015, 44% of respondents say their corporate rental properties are located in urban, business districts. 47% say their properties are located in suburban areas.
- **What's Included in Your Rental?** In 2016, we saw all-time highs in respondents who offer bed linens (96%), fully-furnished kitchens (95%), electricity (93%), Wi-Fi (92%—a big jump from 73% in 2015), cable expanded with premium channels (44%) and Netflix/movie service (27%—up from 16% in 2015). We saw all-time lows in those who offer stereos (34%), fee-based maid service (32%) and phones (22%).

## Tenants

- **Experiences with Corporate Housing Tenants.** 90% of respondents say they had positive experiences with their corporate housing tenants in 2016—up slightly from 2015. This percentage has generally been consistent from year to year.
- **Renter Types.** We saw the biggest jump in renters due to healthcare (up 10% over 2015 and at an all-time high of 34%). Military renters slowed again in 2016. We expect this to change with the new presidential administration.



## 2016 Corporate Housing Report

- **Lengths of Stay.** 65% of respondents say their last tenant stayed for three months or longer. And at an all-time high in 2016, 78% of all respondents say they would only rent their property for 30 days or more, illustrating the significant difference between the highly-regulated vacation rental industry and the corporate housing rental industry. 29% say their rental property has been affected by city regulations.
- **Security Deposits.** 88% of respondents collect a refundable security deposit—most often, \$500 to \$1000.
- **Credit & Background Checks.** 31% of respondents told us, “Yes, they always run credit checks” on potential tenants, and 30% said, “Yes, they always run background checks.” Both are down slightly from 2015.
- **Credit Cards.** Approximately 58% of respondents say they accept some form of credit card or digital payment from their renters—consistent with 2016. MasterCard, Visa and PayPal were the most popular credit solutions.

## Pets

- **Pets Trends and Pet Fees.** 37% of survey respondents say they accept pets—very similar to the previous year. The most common rental period for renters with pets is three to six months, followed by one to three months. The average pet refundable deposit is \$322—down significantly from \$502 in 2015.

## Marketing

- **Marketing Trends.** In 2016, property owners spent less on marketing, and they were less satisfied with their results than in the past. (Though, these results are very similar to 2015.) 64% of respondents say they spent \$499 or less on their annual marketing efforts. 87% of respondents say they prefer to pay flat rate marketing fees versus paying a percentage of the lease as their marketing fee. 79% say they have professional photos of their properties (about the same as 2015), and 34% say they have a dedicated website for their properties (also similar to 2015).
- **Marketing Resources.** The three most used marketing sources included the CHBO basic listing (59%), Craigslist (37%) and Airbnb (37%)—similar findings to 2015.
- **Marketing Results.** Respondents say that CHBO was the source of the most qualified leads by a wide margin, followed by Airbnb, HomeAway and Craigslist. CHBO also was the source of the most renters, followed by Airbnb and HomeAway (tied), and Craigslist.
- **Internet Reservations.** We asked property owners about real-time booking reservations (in which a property is leased through a computer website without any interaction between the property owner and tenant). Over the past two years, these systems have become more popular with respondents.
- **CHBO Services.** Of the respondents using CHBO, they tell us they use the following CHBO tools the most: (1) The property listings (2) *The Corporate Housing Handbook* for property owners (3) MyCHBO Dashboard documents.





# **Survey Respondents**

**About the Independent Corporate Housing  
Real Estate Segment: Property Owners & Managers**

## Property Locations

We received hundreds of survey responses from property owners and real estate managers across the United States, including 38 states and the District of Columbia.

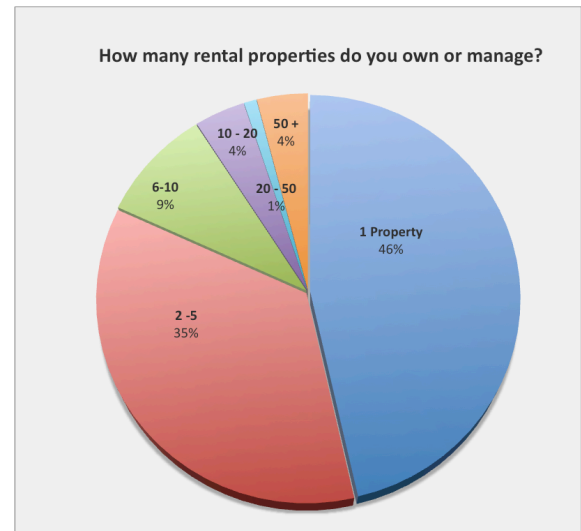
Similar to last year, the **top U.S. states for responses** were:

1. California: 21% (down 1% from 2015)
2. Colorado: 13% (up 1% from 2015)
3. Washington: 8% (up 3% from 2015)
4. Texas: 8% (down 2% from 2015)
5. Georgia: 6% (up 1% from 2015)
6. Florida: 5% (replacing Illinois at #6)

## Number of Properties

46% of respondents say they have one rental property, tying the highest response we ever had back in 2011. Meanwhile, 35% report they have two to five properties (a 7% decrease from 2015).

Given that **more than eight in 10 survey respondents** say they only have one to five rental units, the responses in this annual report truly reflect the independent corporate housing real estate segment.



### How many rental properties do you own/manage?

	2016	2015	2014	2013	2012	2011	2010
1 unit	46%	41%	37%	42%	41%	46%	40%
2 - 5 units	35%	42%	39%	41%	35%	34%	40%
6 - 10 units	9%	6%	10%	8%	9%	9%	11%
10 - 20 units	4%	5%	6%	3%	6%	5%	3%
20 - 50 units	1%	2%	3%	2%	4%	3%	3%
50+ units	4%	5%	6%	5%	5%	3%	3%

## Years as a Corporate Housing Landlord

Corporate housing remains an emerging field in property management for independent owners, but it's a field that more owners are committing to for rental success. Consider that:

- **60% of respondents** say they've been furnished landlords for four years or less. This is a continuation of the trend of new investors entering the real estate investment market.
- **40% of respondents** say they've been furnished landlords for five years or more. This is up from 35% last year—a year in which we believe experienced landlords sold properties that they'd owned for a while at a profit.

**An interesting trend...** This is the third consecutive year since we started this survey that new landlords (landlords “for one year”) increased.

In last year's annual report, we predicted that if interest rates remained stable in 2016, we'd see a “possible increase in new investors who are willing to enter the real estate investment market.” Guess what? Our prediction was correct. We are now seeing new investors getting into the corporate housing real estate market.

It's a **year-over-year increase** of 4%—our biggest jump ever.



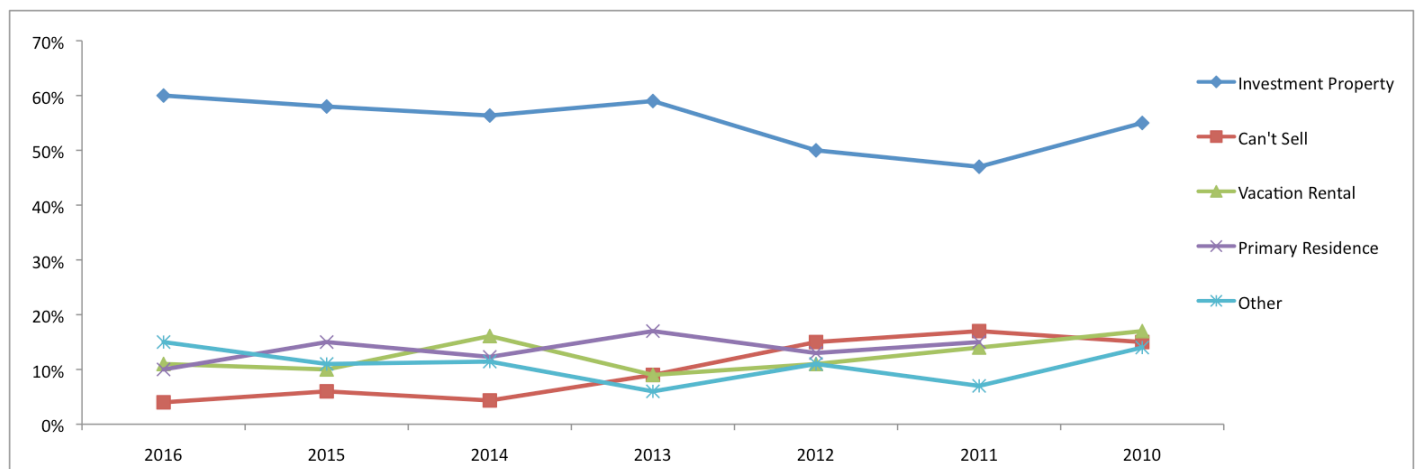
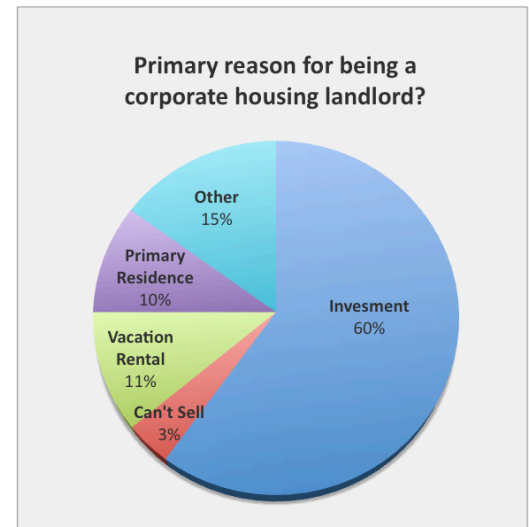
How many years have you been a furnished landlord?							
	2016	2015	2014	2013	2012	2011	2010
1 Year	32%	28%	25%	22%	22%	31%	34%
2 Years	11%	11%	13%	14%	19%	15%	14%
3 Years	9%	14%	10%	14%	14%	15%	19%
4 Years	8%	13%	10%	12%	12%	14%	9%
5-9 Years	24%	26%	24%	26%	23%	16%	24%
10+ Years	16%	9%	18%	12%	11%	9%	n/a

### Reason for Being a Corporate Housing Landlord

Understanding who is a typical corporate housing landlord and how current real estate trends affect decisions can help you better understand how you and your rental property fit into this industry.

Once again, the majority of respondents tell us they are landlords for **investment purposes**. In 2016, that response reached an all-time high of **60%**. Those who say they're landlords because they **can't sell** reached an all-time low of **3%**.

The **continuing trend** in the "other reason" category appears to be "partial landlords." We define partial landlords as property owners who have a fully functional, stand-alone guesthouse or apartment suite on the same site as their primary residence. Traditionally, this may have been referred to as an in-law apartment. (Please note, this is different than the "share economy" in which property owners rent out a room within their residence, sharing the same space as their renter.) One response was simply, **"We also get to meet awesome people."**



### Primary reason for being a corporate housing landlord?

	2016	2015	2014	2013	2012	2011	2010
<b>Investment property</b> Optimize revenue from a long-term investment property	<b>60%</b>	58%	56%	59%	50%	47%	55%
<b>Can't sell</b> Offset costs while waiting for the residential market to improve	<b>3%</b>	6%	4%	9%	15%	17%	15%
<b>Vacation rental</b> Offset costs of owning a vacation home	<b>11%</b>	10%	16%	9%	11%	14%	17%
<b>Primary residence*</b> Offset costs of former residence not being used	<b>10%</b>	15%	12%	17%	13%	15%	n/a
<b>Other reason</b>	<b>15%</b>	11%	11%	6%	11%	7%	14%

\* For historical perspective, our assumption following the 2010 survey was the "other reason" category probably included individuals who were renting their primary residence for a period of time. With that in mind, we added a "primary residence" category in the 2011 survey.

## Corporate Housing Terminology

### The Lodging Segment = Extended Stay

Generally, the term, “extended stay,” is the lodging category name for housing options that offer sleeping **and** living facilities. Think of these options as a spectrum of choices that meet people’s specific housing needs.

The extended stay lodging segment includes:

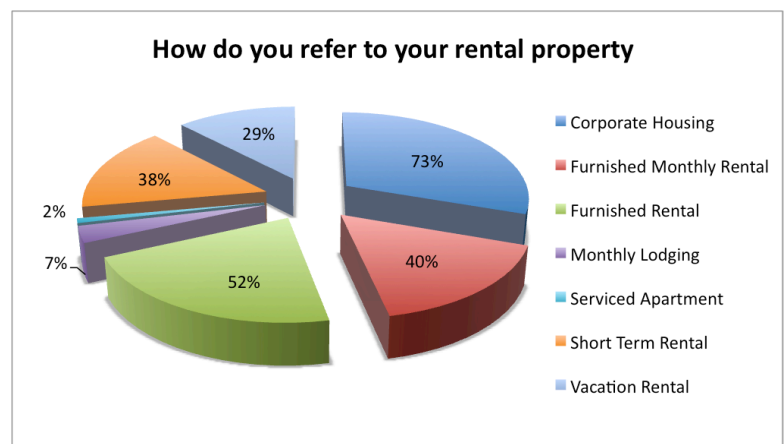
- Extended stay hotels (averaging less than 7 days per stay)
- Full-service apartments (averaging 80 days per stay)
- Managed corporate housing (averaging 100 days per stay)
- Independent corporate housing (with 63% of stays in 2016 lasting three months or longer)

### The Product = Corporate Housing

According to survey results, 73% of respondents say they list their rentals as “**corporate housing**.” This is down from an all-time high of 81% in 2015.

The second most popular term is “**furnished rentals**.”

29% of respondents say they refer to their properties as “**vacation rentals**.” We predicted that use of this term would go down due to increased regulation and taxation of the less-than-30-day, vacation rental lodging segment. However, this number has stayed relatively consistent with previous years.



**Other responses:** This survey question also allowed for open responses. There’s a **continued trend** to refer to rentals as executive rentals, extended stay executive housing, insurance housing, interim housing and executive residences.

### How do you refer to your rental property? (Check all that apply\*)

\* More than one option could be chosen; thus % is the % of respondents, not the % of the whole

Answer Options	2016	2015	2014	2013	2012	2011	2010
Corporate Housing	73%	81%	74%	75%	72%	73%	77%
Furnished Rental	52%	49%	45%	51%	51%	58%	67%
Furnished Monthly Rental	40%	31%	33%	34%	30%	30%	35%
Short Term Rental	38%	33%	33%	36%	32%	32%	44%
Vacation Rental	29%	25%	27%	29%	25%	28%	38%
Monthly Lodging	7%	6%	6%	4%	9%	n/a	n/a
Serviced Apartment	2%	2%	5%	3%	6%	3%	7%



# Outlook & Profitability

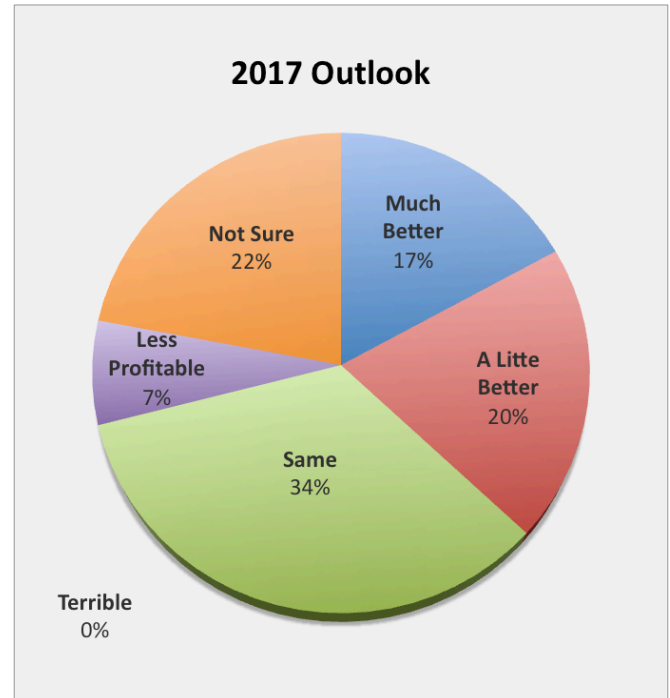
## Outlook for 2017: Predictions for the Future

According to respondents, **their outlook is positive for 2017... but less sure** than it was for 2016:

- Those who say they are “not sure” about the future rose again to an all-time high of 22%. This may be a result of uncertainty following recent elections.
- The number of respondents who say the future looks “much better” than last year dropped to 17% in 2016—down from 21% in 2015.
- 7% say they believe 2017 will be less profitable—slightly up from the previous year.

Despite the uncertainty, nobody thought 2017 looked terrible—a first since we began asking this survey question in 2011!

*Survey note: In 2010 and 2009, we asked individual property owners about past trends. In contrast, starting in our 2011 survey, we asked survey respondents to share their predictions for the future.*



### 2017 outlook: In terms of your corporate rental property, my outlook is...?

Answer Options	2016	2015	2014	2013	2012	2011
2017 looks <b>much better</b> than 2016	17%	21%	23%	16%	12%	15%
2017 looks a <b>little better</b> than 2016	20%	20%	24%	20%	24%	22%
2017 looks the <b>same</b> as 2016	34%	35%	38%	39%	35%	43%
2017 looks <b>less profitable</b> than 2016	7%	5%	1%	4%	8%	4%
2017 looks <b>terrible</b>	0%	2%	3%	2%	3%	2%
Not sure	22%	18%	11%	19%	18%	15%

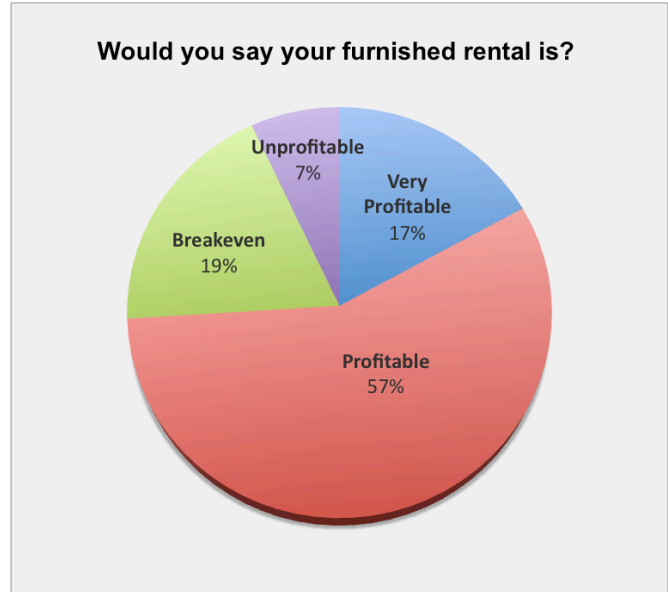
## Profitability

If you're new to corporate housing rentals, you may want to know what other corporate housing property owners think about profitability.

**Great news, 93% of respondents** report their properties are profitable or breakeven—up from 90% in 2015.

Over the last few years, new investment owners entering the market purchased real estate at higher rates, which increased their expenses and lowered their profitability. (Compare this to long-time owners who've owned their rentals for a while and have had a lower cost basis on their rentals—thus, higher profitability.)

This year, however, **profitability went back up.**



### Would you say your furnished rental is...?

Answer Options	2016	2015	2014	2013	2012	2011
Very profitable	17%	19%	17%	16%	14%	11%
Profitable	57%	48%	58%	52%	49%	42%
Breakeven	19%	24%	17%	24%	30%	35%
Unprofitable	7%	10%	7%	9%	8%	12%

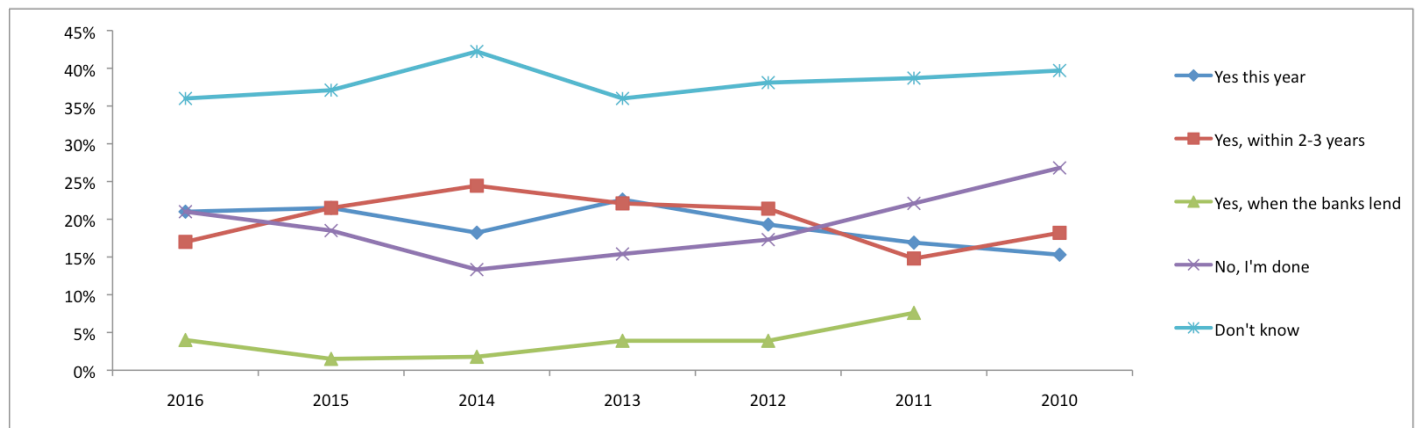


## Investment Real Estate Trends: Plans to Buy More?

So, we've all heard that the real estate market is back. Based on the responses to our previous question, we also know that corporate housing is profitable.

Consistent with previous years, more respondents say, "Yes, I plan on buying more real estate" (42%), than "No, I'm done with real estate" (21%).

With that said, **we've noticed a new trend to watch.** In previous years, there was a steady decline in those who said they were done with real estate investing. However, in 2015 and now in 2016, the number of respondents who say they're done with real estate investing increased.



### Do you plan on buying more investment real estate?

Answer Options	2016	2015	2014	2013	2012	2011	2010
Yes, this year	21%	22%	18%	23%	19%	17%	15%
Yes, within 2-3 years	17%	22%	24%	22%	21%	15%	18%
Yes, when the banks lend*	4%	1%	2%	4%	4%	8%	n/a
No, I'm done	21%	18%	13%	15%	17%	22%	27%
Don't know	36%	37%	42%	36%	38%	39%	40%

\* In the past, some economists said they believed there was a correlation between the slow pace of the real estate recovery and people feeling stifled by banks that didn't want to lend money at low interest rates. With this in mind, we added a question in 2011 to see if people felt hindered by the banks.



# Rental Rates

**“How should I price my property?”**

**“When should I negotiate, and when should I hold firm on my rates?”**

**Because these are the top questions we’re asked at CHBO, we’ve divided this topic into three sections: Variance, Actual and Discounts. We’ve also added a new section called Annual Occupancy.**

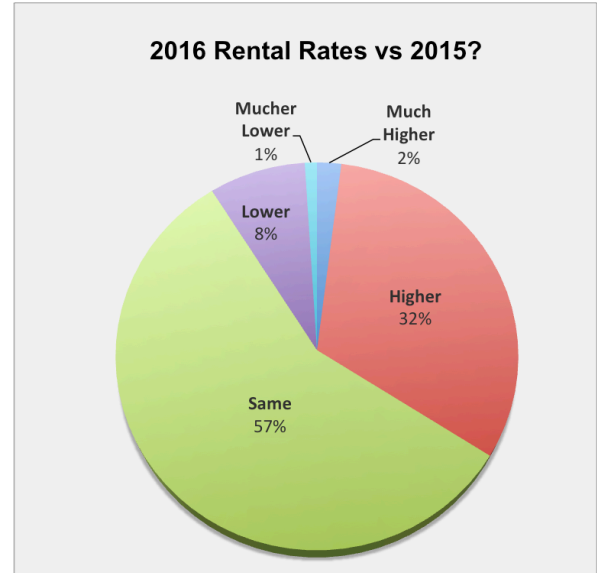
## Variance: Changes in Rental Rates

We asked respondents to evaluate their current rental rates compared to the previous year for the exact same rental property.

The great news is that 34% of respondents report having higher or much higher rates in 2016. This is a slight decrease from 39% in 2015. However, this number is still significantly higher than the 22% reported in 2011.

**Worth noting...** 9% say they had “lower” or “much lower” rates than the previous year—up from only 4% in 2015.

We did see market rates soften some in 2016—especially on the East Coast of the United States. **So far in 2017**, we’re seeing a stronger **East Coast** and a weaker **West Coast** for housing rates and demand.



### My 2016 rental rates versus the previous year 2015 rental rates?

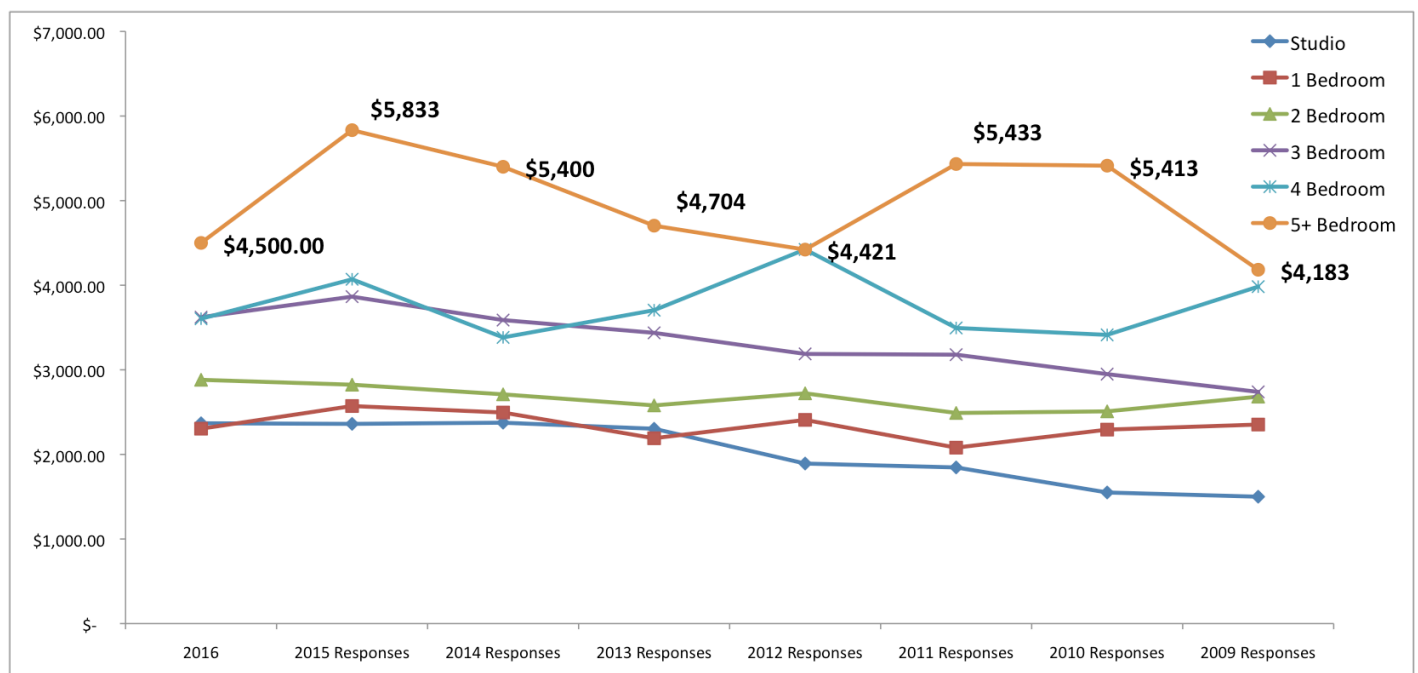
Answer Options	2016	2015	2014	2013	2012	2011
Much higher	2%	3%	2%	2%	4%	2%
Higher	32%	36%	33%	31%	29%	19%
Same	57%	58%	61%	60%	60%	62%
Lower	8%	3%	4%	7%	6%	15%
Much lower	1%	1%	0%	1%	1%	1%

## Actual: Rental Rates

We collected additional rental rate data for month-to-month rentals based on the number of bedrooms in a rental property. Compared to our 2015 survey results, **rental rates were softer overall in 2016**—with the exception of studios and two-bedroom properties.

Rentals with five bedrooms or more saw **the largest decrease** in rental rates in 2016. Larger properties, such as four- and five-bedroom homes, can vary significantly in rates because of the large variety of property types. In addition, the sample size for this report is smaller than other categories, which leads to more price fluctuation from year to year.

Since 2013, studio units have had the most consistent month-to-month rental rates.



## 2015 month-to-month rental rates: What did you charge?

Answer Options	2016	2015	2014	2013	2012	2011	2010	2009
Studio	\$2,368	\$2,361	\$2,375	\$2,303	\$1,892	\$1,846	\$1,550	\$1,500
1 bedroom	\$2,304	\$2,572	\$2,495	\$2,191	\$2,408	\$2,080	\$2,293	\$2,353
2 bedroom	\$2,882	\$2,824	\$2,710	\$2,579	\$2,722	\$2,490	\$2,509	\$2,683
3 bedroom	\$3,622	\$3,865	\$3,588	\$3,437	\$3,188	\$3,179	\$2,949	\$2,739
4 bedroom	\$3,604	\$4,070	\$3,383	\$3,705	\$4,423	\$3,495	\$3,413	\$3,983
5+ bedroom	\$4,533	\$5,833	\$5,400	\$4,704	\$4,421	\$5,433	\$5,413	\$4,183

## Annual Occupancy:

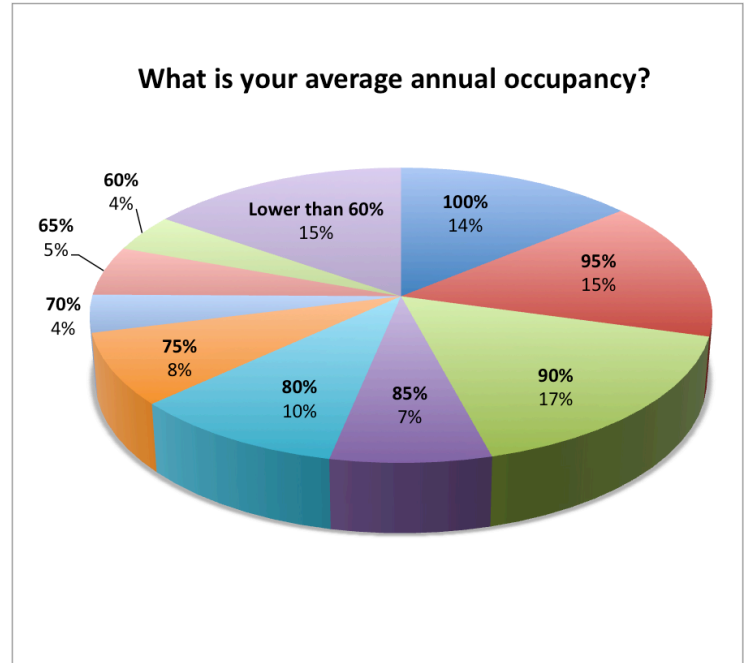
We added a new question this year to ask you about annual occupancy. Traditionally, we have asked how long tenants stay to gauge occupancy. This year we asked specifically about occupancy.

Traditional corporate housing apartments across the United States reported an annual occupancy of **88% occupancy** last year.

- 51% of respondents in this survey say they had an occupancy of **85% or higher**.
- 49% of properties rented for less than 85% of the time, which is **significantly below the industry average**.

However, it's important to note that only 60% of respondents to this real estate survey treat their property as a full-time investment property.

We will continue to watch this number in future reports. We plan to compare the types of properties and the correlation to annual occupancy.



## What is your average annual occupancy?

### Answer Options

	2016
100%	14%
95%	15%
90%	17%
85%	7%
80%	10%
75%	8%
70%	4%
65%	5%
60%	4%
Lower than 60%	15%

## Discounts: Rental Rates

Over the last few years, the number of owners offering discounts for longer-term leases has been in decline. We saw an all-time high of 43% of respondents who **don't offer a discount**. Among property owners who do offer discounts, their discounts are typically small.

**It's worth noting...** that how a property owner defines a "longer-term lease" can vary significantly, depending on the market and the property. One owner's definition may be three months, while another's definition may be 12 months. While these discounts may be applied differently, the discounted amounts remain fairly consistent.

**If you're new to real estate, the takeaway is to avoid over-discounting.** Few property owners discount by 10% or more. The key is to find the right balance between keeping your property rented and properly valuing your property.



### Do you offer a discount for a longer-term lease?

Answer Options	2016	2015	2014	2013	2012
Yes	57%	60%	65%	67%	66%
No	43%	40%	35%	33%	34%

### If yes, what percentage (%) discount of rental rate is offered for longer-term lease?

Answer Options	2016	2015	2014	2013 **	2012 *
< 5%	40%	35%	37%	43%	4%
5% - 9%	37%	33%	31%	30%	22%
10% - 14%	11%	17%	26%	22%	48%
15% - 19%	4%	7%	5%	3%	8%
20% +	8%	9%	1%	2%	17%

\* In 2012, this question was asked as an "other" comment, leading to a large variance in the data. In 2013, this question was reworded to reflect specific numerical choices. We believe the 2013 responses are a better interpretation of the question and shouldn't be specifically compared to 2012.

\*\* In 2013, these responses were incorrectly printed in the report. The numbers listed above are the accurate numbers collected in the 2013 survey.



# Property Management Trends

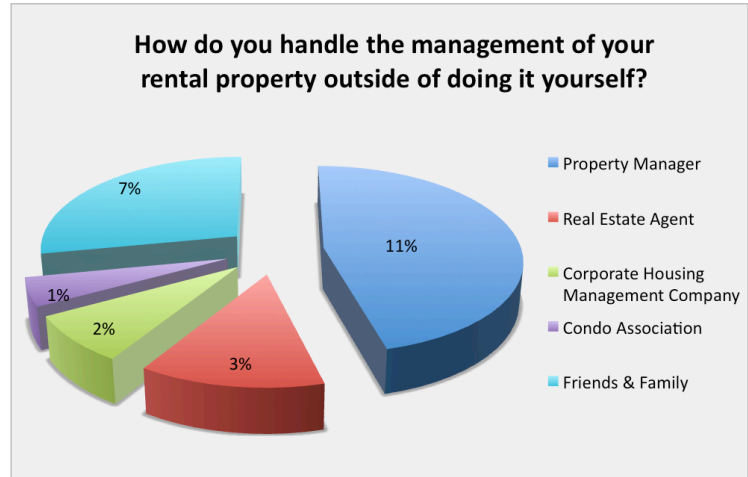
## Management: Corporate Housing Rental Property

We asked respondents to tell us how they manage their rental properties. For the second consecutive year, 92% of respondents say they manage their properties themselves.

In 2016, the number of property owners who say they used a property manager also stayed consistent at 11%—the same as in 2015. This is a trend **we'll continue to watch**. It may be the result of more professional investors entering the market who manage their own properties as full-time income opportunities.

7% say “family and friends” helped provide management support. This number has bounced up and down over the last few years, but it's consistent with 2015.

No additional trends emerged in the “other” category.



### How do you handle the management of your rental property? (Check all that apply\*)

\* More than one option could be chosen; thus % is the % of respondents, not the % of the whole

	2016	2015	2014	2013	2012	2011	2010
Do It Myself	92%	92%	82%	72%	80%	86%	85%

### Management Support Used (Check all that apply\*)

\* More than one option could be chosen; thus % is the % of respondents, not the % of the whole

	2016	2015	2014	2013	2012	2011	2010
Property Manager	11%	11%	17%	11%	17%	17%	17%
Friends & Family	7%	8%	1%	7%	11%	8%	11%
Real Estate Agent	3%	2%	1%	3%	10%	5%	3%
Corporate Housing Management Company	2%	4%	7%	4%	6%	n/a	n/a
Condo Association *	1%	1%	1%	1%	n/a	n/a	n/a
Other	1%	1%	1%	2%	2%	n/a	n/a

\* Prior to 2013, respondents used the “other” category to tell us that their condo associations handle management of their property rentals, so we added “condo association” to the list of possible responses in 2013.

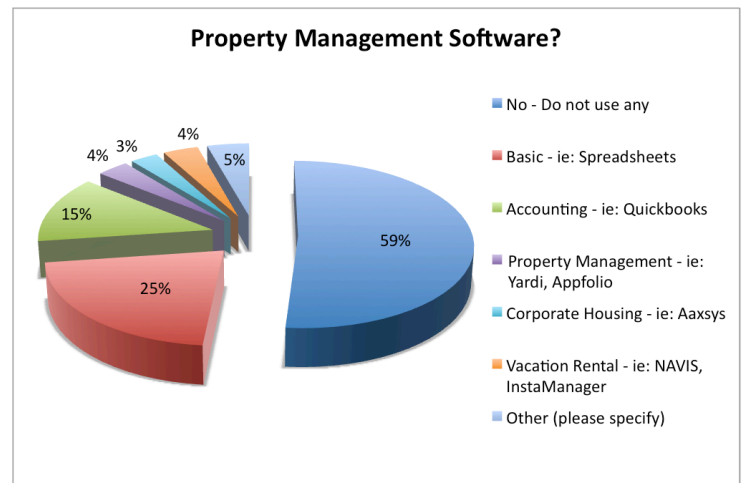


## Property Management Software

Property owners frequently ask the CHBO team about tools that can help with property management.

What's interesting is that the majority of property owners (59%) do not use any type of property management software. Over the past few years, these responses have remained consistent overall.

In the “**other**” category in 2016, respondents listed: Airbnb, Buildium, FMLS, MYVR.com, Oscar, Propertyware, Quicken Rental Property Manager, Vacation Rental Desk, XERO Accounting System.



### What type of property management software do you use? *(Check all that apply\*)*

\* More than one option could be chosen; thus % is the % of respondents, not the % of the whole

	2016	2015	2014	2013	2012
<b>None</b> – do not use any	59%	55%	51%	56%	56%
<b>Basic</b> – such as spreadsheets	25%	19%	24%	21%	27%
<b>Accounting</b> – such as QuickBooks™	15%	14%	19%	17%	19%
<b>Other</b> (please specify)	5%	4%	3%	6%	3%
<b>Property Management</b> – such as Yardi	4%	4%	7%	2%	6%
<b>Vacation Rental</b> – such as NAVIS®	4%	2%	2%	2%	2%
<b>Corporate Housing</b> – such as Aaxsys	3%	3%	5%	3%	7%

## Property Apps for Mobile Devices

This year we started asking about the mobile apps you use to manage your corporate housing rental. Surprisingly high, 68% of respondents say they never use them.

30% of respondents say a property app would be a great tool for tenant arrivals.

**Apps listed as resources** include: Lockstate, Proter, Homesnap, HomeSpotter, HomeAway, Airbnb and Flipkey.

### Property Apps? *(Check all that apply)*

	2016
Never use them	68%
Would be a great tool for tenant arrivals	30%
Would be a great tool for property updates	24%
Would be a great tool for property searches	21%
Would be a great tool for property inspections	16%
Would be a great tool for property cost evaluation	14%

## Rental Documents

Having profitable real estate has a lot to do with:

- Setting and meeting expectations with your renters **and**
- Having the written documentation you need to confirm and support these transactions and expectations

Real estate laws and regulations are always changing. They're regulated and established on a state-by-state basis. Plus, the rules apply differently depending on whether you're an individual managing your own property versus a real estate agent representing someone else. In addition, **laws are very different** for vacation rentals that are offered for leases of less than 30 days versus corporate housing property rentals of 30 days or more.

**Tip!** CHBO continues to develop useful documents to help you with your rental property. On our website, you can find them in your personalized CHBO dashboard in the section called **Resources**.

### Rental documents: Where do you get them? *(Check all that apply\*)*

*\* More than one option could be chosen; thus % is the % of respondents, not the % of the whole*

	2016	2015	2014	2013	2012
Myself - I wrote my own	<b>34%</b>	37%	34%	35%	34%
CHBO - Used documents from CHBO Dashboard	<b>30%</b>	35%	23%	23%	25%
Internet - Found some on the Internet	<b>30%</b>	32%	35%	36%	38%
Real estate agent	<b>16%</b>	14%	19%	20%	20%
Other	<b>13%</b>	12%	13%	9%	9%
Lawyer - Paid to have documents drafted	<b>9%</b>	15%	16%	13%	16%
Electronic Signature* - DocuSign, RightSignature, etc.	<b>9%</b>	n/a	n/a	n/a	n/a
None - I don't use any	<b>3%</b>	6%	3%	3%	4%

*\* Response added in 2016*

Because we're frequently asked for more documents, we thought it would be useful to learn about all the resources that individual property owners use to handle these needs.

In the **"other"** category in 2016, respondents listed:

- Airbnb
- Apartment Association
- CHPA
- Condo Association
- Family
- HOA
- NOLO Press
- Property Manager
- Realtors Association
- Rental Alliance Association
- Rocket Lawyer
- TREC
- VRBO

## Leasing Trends

In the full-service corporate housing industry, 70% of all leasing is done without a renter ever touring a specific property. With that in mind, we like to track how the independent corporate housing real estate segment compares.

This year, only 43% of respondents say they meet their clients **face to face** before leasing their properties—an **all-time low**.

36% say they **provide tours** to potential tenants before renting their properties—down from 44% in 2015. With the ease of creating virtual tours, we expect that this number will continue to decrease as technology becomes more available to individual property owners.

Again in 2016, email and phone communication increased with potential renters.

In the “**other**” category for communication in 2016, respondents listed:

- Texting
- FaceTime
- Skype
- High-resolution photos
- Property website

### Leasing – Face to Face? (Check all that apply\*)

\* More than one option could be chosen; thus % is the % of respondents, not the % of the whole

	2016	2015	2014	2013	2012
Generally I meet all potential renters face to face	43%	50%	44%	53%	46%

### Leasing – Touring? (Check all that apply\*)

\* More than one option could be chosen; thus % is the % of respondents, not the % of the whole

	2016	2015	2014	2013	2012
Most potential renters TOUR the property before they rent	36%	44%	44%	35%	44%

### Leasing – Communication? (Check all that apply\*)

\* More than one option could be chosen; thus % is the % of respondents, not the % of the whole

	2016	2015	2014	2013	2012
Email is the primary way I communicate with renters	75%	71%	67%	75%	71%
Phone is the primary way I communicate with renters	40%	33%	30%	37%	38%



# Properties

## Property Size

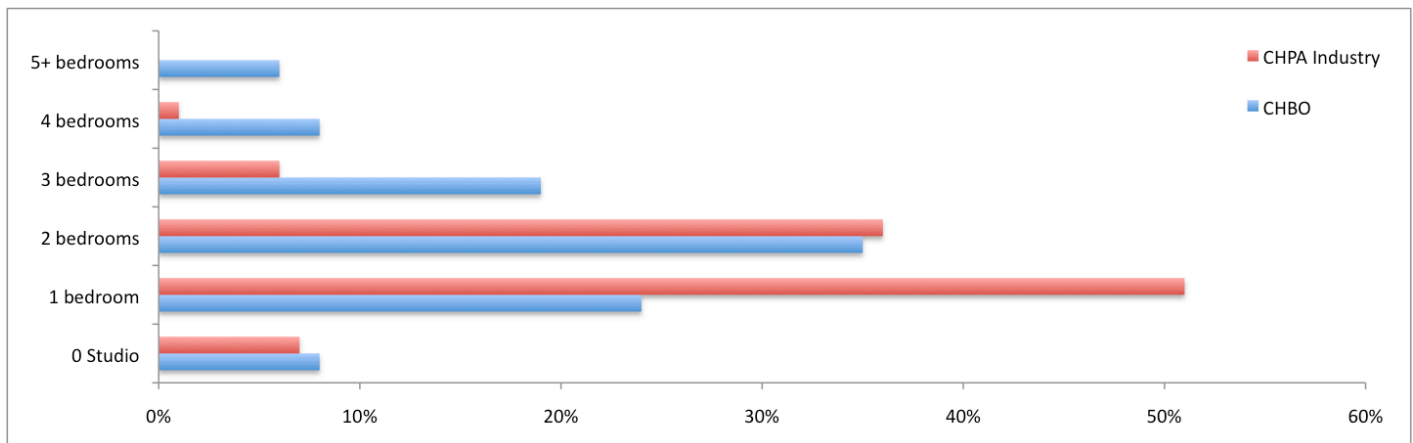
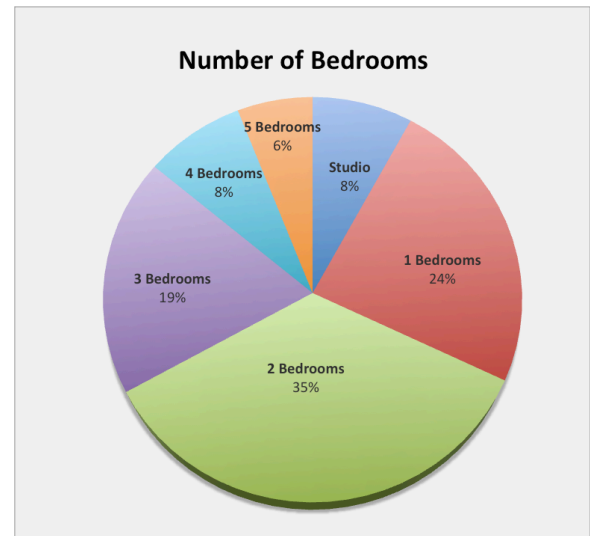
### Room Type = Number of Bedrooms

An essential difference between the full-service corporate housing industry and the independent corporate housing real estate segment is the size of property that is rented—and more specifically, the number of bedrooms.

Corporate housing rentals in residential properties rented by private owners are generally **larger** in both overall size and bedroom count than the typical, business-to-business lodging options that full-service corporate housing companies provide.

33% of respondents say they offer rental properties that include **three bedrooms or more**. 14% say they offer rental properties with **four bedrooms or more**. These types of lodging options are **virtually non-existent** among full-service corporate housing companies.

We believe the independent corporate housing real estate segment will continue to grow to meet the demands of renters who want—and need—larger rental properties that aren't typically offered by full-service corporate housing companies.



### Property Size - Number of Bedrooms?

Answer Options	2016	CHPA*	2015	2014	2013	2012	2011	2010	2009
0 studio	8%	7%	5%	3%	4%	2%	3%	2%	2%
1 bedroom	24%	51%	24%	27%	29%	28%	24%	28%	24%
2 bedrooms	35%	36%	30%	41%	38%	36%	41%	39%	38%
3 bedrooms	19%	6%	25%	18%	17%	19%	19%	16%	21%
4 bedrooms	8%	1%	13%	8%	9%	9%	10%	10%	12%
5+ bedrooms	6%	0%	4%	3%	4%	5%	3%	6%	3%

\* CHPA - Corporate Housing Industry Report; reflects traditional corporate housing through larger, full-service property management companies.

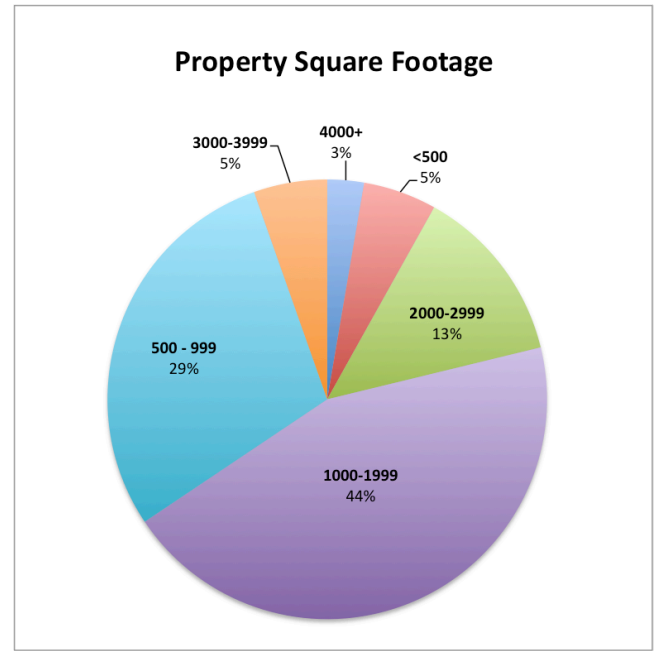
## Property Size: Square Footage

This year we added a question about property square footage. The highest number of respondents (44%) say their properties are 1,000 to 1,999 square feet.

In future years, we will expand this question to compare the number of bedrooms in the rental property to the actual square footage of the rental.

In the full-service corporate housing industry, corporate housing units are apartments. They are traditionally smaller in square footage than private residences.

Property Size – Square Footage?	
Answer Options	2016
4000 or more square feet	3%
3000 - 3999 square feet	5%
2000 - 2999 square feet	13%
1000 - 1999 square feet	44%
500 - 999 square feet	29%
Less than 500 square feet	5%



## Property Type

**Property Type = Real Estate Description** (House, Condominium, Duplex, Townhouse, Apartment, Loft, Flat)

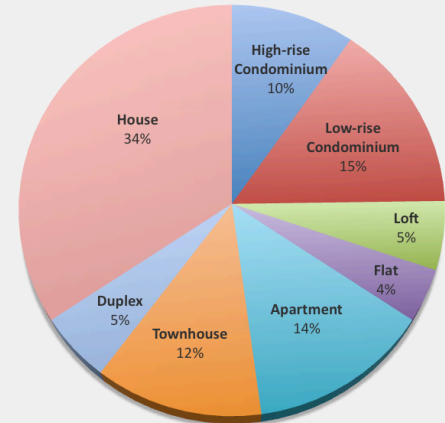
Typically, most full-service corporate housing consists of furnished, one-bedroom apartments. However, to meet the increasingly diverse needs of the traveling public, it's essential that a wider range of property types and styles be readily available for those in need of extended stay lodging solutions.

One of the essential characteristics of the independent corporate housing real estate market is that it includes diverse property types, sizes, styles and locations.

This is dramatically depicted in the following results: 34% of the properties accounted for in 2016 are **single-family homes**. This type of property is traditionally not found through full-service corporate housing companies.

In the eight years we've conducted this survey, we've seen great diversity in the types of properties offered through the independent corporate housing real estate segment.

**Property Type:** In real estate terms describe your property?



### Property Type - In real estate terms, how would you describe your property?

	2016	2015	2014	2013	2012	2011	2010	2009
High-rise condominium	10%	11%	13%	13%	15%	13%	11%	15%
Low-rise condominium *	15%	21%	19%	24%	23%	23%	23%	13%
Loft-style condominium	5%	4%	4%	6%	5%	3%	4%	9%
Flat	4%	1%	3%	4%	3%	3%	2%	3%
Apartment	14%	10%	17%	12%	12%	8%	15%	11%
Townhouse	12%	11%	13%	9%	11%	12%	11%	10%
Duplex	5%	6%	6%	4%	5%	5%	3%	6%
House	34%	36%	26%	28%	25%	32%	30%	34%

\* In 2009, low-rise condominium was referred to as "garden style condominium."

## Property Location

**Property Location = Type of Community** (Resort, Rural, Urban, Suburban)

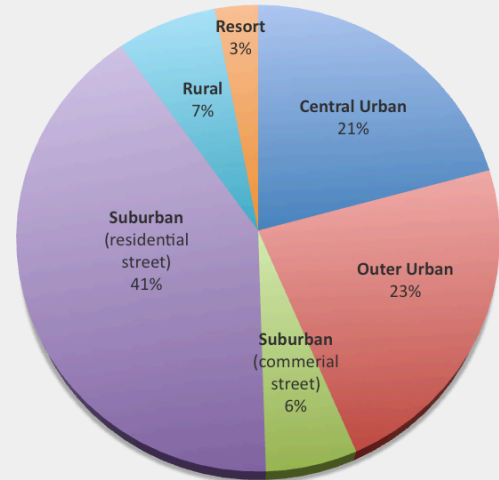
Furnished monthly housing is needed everywhere, from business districts to residential areas. As traffic congestion becomes a bigger issue in growing business communities, corporate housing renters can't afford to be limited to lodging solutions that aren't located near their offices.

The idea that one lodging solution fits all is outdated. Discerning business travelers demand more options than ever before.

44% of respondents say their corporate rental properties are located in **urban, business districts**, while 47% say their properties are located in **suburban areas**. This is consistent with previous years' results, and it contrasts significantly with full-service corporate housing providers. Traditionally, they only offer properties in urban areas.

The wide range in locations offered by the independent corporate housing segment reflects the expanding demands of today's busy corporate traveler.

**Where is the rental property located?**



**Where is the rental property located?**

Answer Options	2016	2015	2014	2013	2012	2011	2010	2009
Central urban High-rise business district	21%	25%	23%	25%	23%	20%	20%	16%
Outer urban Low-rise business district	23%	24%	23%	23%	27%	22%	24%	19%
Suburban On a commercial street	6%	3%	6%	4%	7%	5%	4%	4%
Suburban On a residential street	41%	41%	39%	42%	35%	43%	41%	36%
Rural	7%	4%	4%	2%	3%	4%	3%	5%
Resort	3%	3%	5%	4%	5%	7%	7%	13%
Industrial district*	n/a	n/a	n/a	n/a	n/a	0%	1%	0%
Small town*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7%

\*These options were removed from the survey

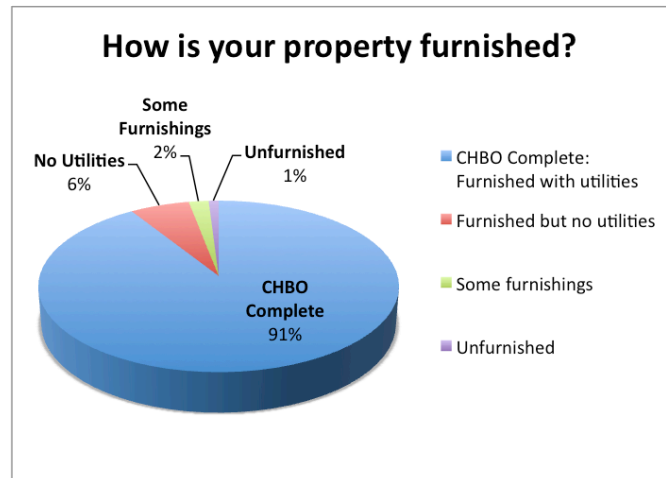


## Property Furnishings

### Property Furnishings = What's Included

When it comes to rental success, it's all about setting and meeting your tenants' expectations. There isn't an exact science on how to furnish your corporate housing rental. With that said, there are **minimum standards** set by the Corporate Housing Providers Association and articulated in *The CHBO Corporate Housing Handbook*.

It's helpful to understand what other property owners are offering and, most importantly, what experienced corporate housing renters expect. This ensures your property is competitive within your market, stays rented and gets the highest rental rate possible—while meeting your renters' expectations.



**Tip!** A key element to having a **successful, furnished rental** is to properly communicate what's included in your rental and to establish value in your rental rate.

Tenants need to be able to properly evaluate similar properties and discern value in rental rates when choosing a rental property. This is why CHBO created the **CHBO Complete™** designation.

CHBO Complete™ certifies that a property includes everything that corporate housing renters expect using established guidelines from the Corporate Housing Providers Association. It allows renters to find a quality, furnished rental with all the essential elements included in one monthly rental rate. CHBO Complete™ is a critical tool to help potential tenants make educated and correct decisions.

### How is your property furnished?\*

Answer Options	2016	2015	2014	2013	2012	2011	2010
CHBO Complete: Furnished with utilities	91%	93%	87%	87%	86%	87%	57%
Furnished but no utilities	6%	4%	6%	6%	8%	6%	40%
Some furnishings	2%	1%	3%	3%	4%	3%	2%
Unfurnished	1%	2%	4%	4%	2%	4%	1%

\* In our 2011 survey, this question was reworded to help eliminate ambiguity, and the results were significant. CHBO Complete™ properties increased from 57% to 87%. The previous designation of "fully furnished" was changed to "furnished but no utilities." This category dropped from 40% to 6%. We believe the revised wording better reflects reality.

## Property Furnishings (Continued)

We asked respondents to share what they include in their furnished rentals.

At an **all-time high in 2016**, we found: bed linens (96%), furnished kitchens (95%), electricity (93%), Wi-Fi (92%), and Netflix/movie service (27%). We saw significant jumps in the latter two items.

At an **all-time low in 2016**, we found: stereos (34%), maid service – fee (32%) and phones (22%).

In the “**other**” category in 2016, respondents listed: High-end package, 3D TV, stocked pantry, lawn service, sports equipment, bikes and Wii Games, slippers, and toys.

**Tip!** If you'd like more guidance and details on what to include in your furnished rental, go to the CHBO website and visit the property manual section in The *CHBO Corporate Housing Handbook*.

### What do you include in your furnished rental? (Check all that apply\*)

\* More than one option could be chosen; thus % is the % of respondents, not the % of the whole

	2016	2015	2014	2013	2012	2011	2010	2009
Bed Linens	96%	92%	90%	88%	85%	77%	83%	91%
Fully Furnished Kitchen	95%	92%	93%	91%	87%	79%	85%	93%
Electricity	93%	88%	85%	84%	80%	73%	75%	86%
Towels	92%	90%	87%	85%	82%	76%	83%	92%
Wi-Fi*	92%	73%	65%	79%	72%	73%	73%	74%
TV	85%	92%	90%	88%	85%	75%	82%	
Washer & Dryer in Unit	85%	85%	81%	78%	77%	71%	77%	85%
Parking – Free	78%	80%	77%	76%	74%	83%	94%	57%
Cable Basic	62%	64%	64%	64%	62%	50%	53%	55%
Property Manual	47%	48%	52%	45%	45%	42%		
Cable Expanded w/ Premium Channels	44%	43%	45%	44%	40%	35%	38%	48%
BBQ	42%	44%	37%	39%	40%			
Stereo	34%	36%	40%	42%	39%	42%	45%	53%
Maid Service – Fee	32%	41%	43%	35%	37%	34%	44%	48%
Welcome Gift	31%	37%	39%	28%	25%	27%	30%	37%
Exercise - Gym Access	28%							
TV - Netflix / Movie Service	27%	16%	11%					
Phone	22%	27%	39%	37%	39%	41%	49%	
TV - Streaming Service	20%							
Community Activity Pass	15%	18%	16%	13%	17%			
Maid Service – Included	14%	12%	16%	13%	16%	12%	16%	12%
Wi-Fi - Thermostat	13%							
Parking – For a Fee	9%	10%	15%	8%	10%	5%	9%	
Game Systems / Xbox1, PS4, etc.	3%	4%	3%					
Toll Pass	0%	1%	1%	0%	0%			
Transit Pass	0%	0%	1%	1%	2%			
Other	13%	11%	8%	7%	9%			

\* Changed from High-Speed Internet to Wi-Fi in 2016

Note: Starting in our 2012 survey, we consolidated parking into two categories (“Parking – Free” and “Parking – For a Fee”), rather than breaking the responses into “Secure” and “Covered.”



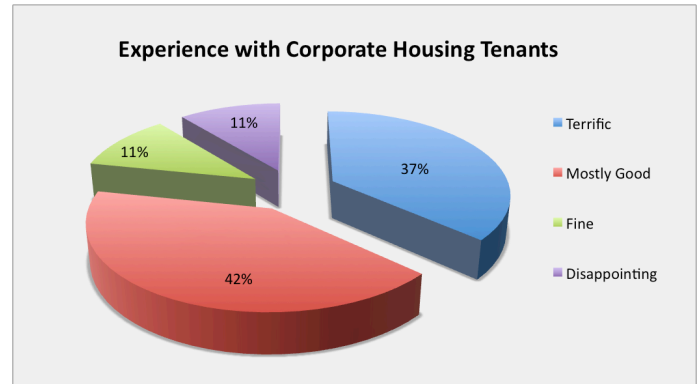
# Tenants

## Experiences with Corporate Housing Tenants

Property owners tell the CHBO team that corporate housing tenants are **LPD** (“less pain per dollar”) than tenants of vacation rentals.

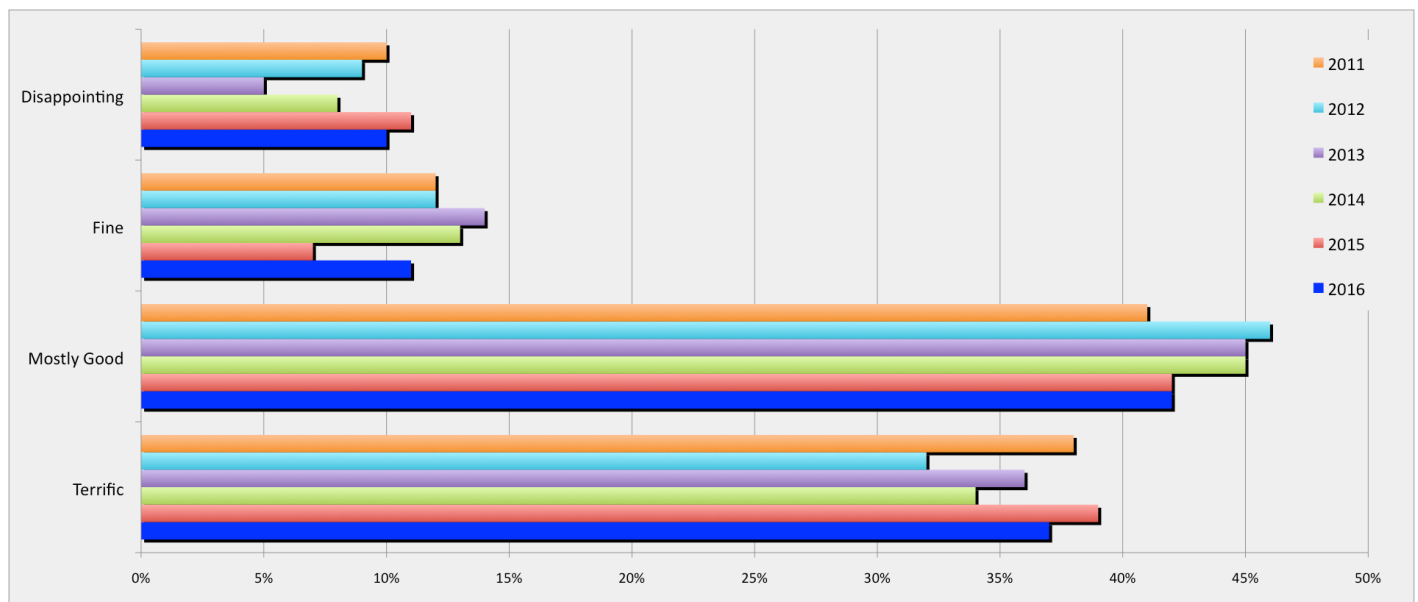
We asked respondents to tell us about their experiences with corporate housing tenants.

In 2016, 90% of respondents say they had **positive experiences** with their corporate housing tenants. This percentage has generally been consistent from year to year.



### My experience with corporate housing tenants has been?

Answer Options	2016	2015	2014	2013	2012	2011
Terrific	37%	39%	34%	36%	32%	38%
Mostly good	42%	42%	45%	45%	46%	41%
Fine	11%	7%	13%	14%	12%	12%
Disappointing	10%	11%	8%	5%	9%	10%



## Renter Types

### Renter Types = Reason a Tenant Needed to Rent

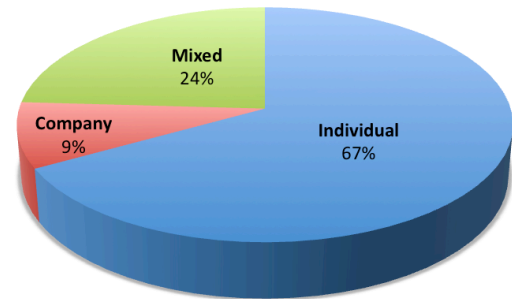
We asked respondents to describe the types of renters they had in 2016.

We were surprised to see “healthcare” **jump to an all-time high** of 34%. If there are significant changes to the national healthcare laws, we expect to see future volatility in the need to travel for healthcare services.

Military renters slowed again in 2016. We expect this to change with the new national presidential administration.

In 2016, respondents listed the following responses in the “other” category: flight attendants, wedding, sabbatical and college events.

In most cases who pays the rent?



### Renter type – Industry or reason someone rented your property in 2016? (Check all that apply\*)

\* More than one option could be chosen; thus % is the % of respondents, not the % of the whole

	2016	2015	2014	2013	2012	2011	2010	2009
Business Assignment	71%	72%	71%	76%	67%	70%	70%	68%
Relocation	43%	45%	42%	44%	43%	53%	63%	48%
Healthcare	34%	24%	29%	23%	18%	20%	n/a	18%
Vacation	32%	36%	36%	34%	26%	33%	37%	35%
Family	31%	32%	35%	31%	30%	24%	n/a	19%
Temporary - Home Remodel	25%	30%	27%	30%	23%	n/a	n/a	n/a
Divorce	17%	20%	18%	17%	17%	17%	15%	16%
Education	15%	14%	15%	21%	17%	16%	18%	15%
Insurance Claim	15%	9%	15%	12%	15%	11%	10%	10%
Special Event	14%	13%	16%	11%	13%	13%	19%	19%
Snow Bird	14%	12%	19%	13%	11%	15%	18%	17%
Medical Treatment	13%	12%	18%	16%	15%	17%	19%	17%
Movie/Entertainment	10%	15%	13%	12%	11%	11%	15%	11%
Seasonal Worker	10%	7%	10%	9%	10%	7%	7%	8%
Professional Athlete	9%	8%	15%	11%	11%	10%	9%	9%
Military	8%	10%	9%	8%	13%	14%	14%	10%
Other	7%	11%	7%	7%	7%	13%	18%	17%
Politics	3%	4%	3%	4%	5%	5%	3%	4%

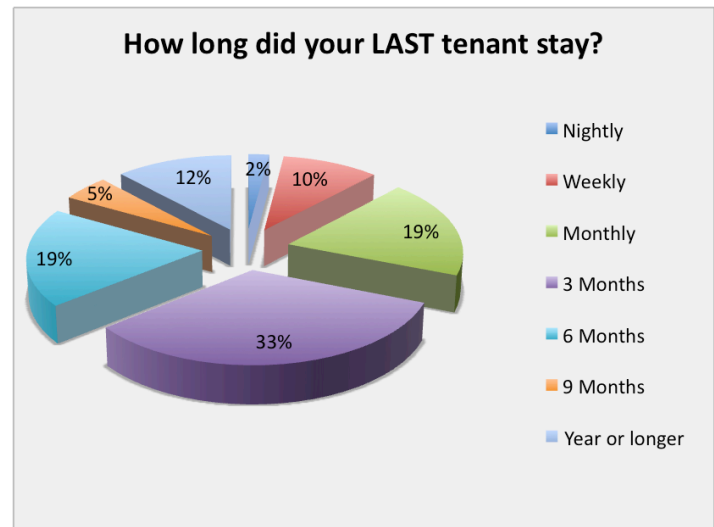
### Lengths of Stay

To better understand **length of stay trends**, we asked:

- “How long did your last tenant stay?”
- “On average, how long do your tenants stay?”

Asking about lengths of stay in multiple ways allows us to validate the data and understand the nuances.

In 2016, **65%** of respondents say their tenants stayed for **three months or longer** on average. **12%** say their last tenant stayed for **one year or longer**. As a point of comparison, the full-service corporate housing industry reports its average length of stay as 84 days (less than three months), according to its last annual report.



Only 13% say their tenants stayed for less than 30 days on average. This number illustrates the significant difference between the highly-regulated vacation rental industry and the corporate housing rental industry.

Tenant's length of stay – How long did your LAST tenant stay?								
Answer Options	2016	2015	2014	2013	2012	2011*	2010*	2009*
Nightly	2%	5%	4%	3%	2%	3%	4%	3%
Weekly	10%	12%	13%	9%	10%	8%	10%	12%
Monthly	19%	20%	18%	19%	26%	13%	8%	10%
3 Months	33%	31%	28%	31%	27%	44%	45%	39%
6 Months	19%	14%	15%	14%	15%	19%	22%	15%
9 Months	5%	3%	5%	7%	8%	n/a	n/a	n/a
Year or longer	12%	15%	17%	18%	13%	13%	12%	21%

Tenant's length of stay – On AVERAGE, how long do your tenants stay?								
Answer Options	2016	2015	2014	2013	2012	2011*	2010*	2009*
Nightly	3%	5%	3%	3%	2%	4%	7%	3%
Weekly	10%	11%	18%	9%	10%	8%	9%	15%
Monthly	21%	24%	18%	19%	25%	9%	9%	10%
3 Months	40%	32%	30%	31%	36%	55%	55%	42%
6 Months	15%	17%	17%	14%	14%	14%	11%	15%
9 Months	3%	4%	3%	7%	4%	n/a	n/a	n/a
Year or longer	7%	9%	10%	18%	9%	11%	9%	16%

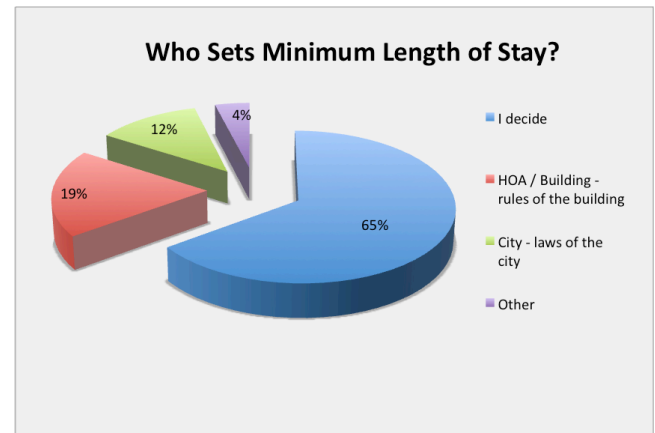
\* To clarify the answers to this question, the wording was changed in 2012. Original response options were: Multiple Months (greater than 4.3 weeks, but less than 6 months) and Multiple Months (greater than 6 months, but less than 1 year).

## Minimum Length of Stay

Many cities have **legislation against less-than-30-day stays**. For example, both New York City and Chicago prohibit the rental of a private residence for less than 30 days. These legal restrictions continue to be a hot political topic in cities—such as San Francisco and Denver—that have a large quantity of monthly, furnished rentals.

At an **all-time high in 2016**, 78% of all respondents say they would only rent their property for 30 days or more.

12% of respondents say that “city laws” set their minimum length of stay. In addition, 29% say their rental property has been affected by **city regulations**.



Down slightly, 61% say they set their own length-of-stay minimums. At an all-time high, 23% say they are regulated by the rules of their community or the building in which their properties are located. The “other” responses are variations of homeowner insurance and lodging tax regulations.

City regulations: Have you been affected?	
	2016
Yes	29%
No	71%

Who sets the minimum length of stay?					
	2016	2015	2014	2013	2012
I decide	61%	65%	66%	70%	65%
Building - rules of the building	23%	19%	20%	20%	22%
City - laws of the city	12%	12%	11%	7%	8%
Other	4%	4%	3%	3%	5%

Length of stay: Minimum time you are willing to rent your property for?							
	2016	2015	2014	2013	2012	2011	2010
Nightly	9%	9%	12%	10%	8%	12%	15%
Weekly	13%	14%	16%	17%	18%	18%	21%
Monthly	46%	49%	47%	43%	46%	62%	55%
3 Months	22%	19%	14%	15%	18%	n/a	n/a
6 Months	6%	6%	6%	9%	7%	n/a	n/a
9 Months	1%	0%	1%	0%	0%	n/a	n/a
Year or longer	3%	3%	5%	5%	3%	7%	8%

## Security Deposits

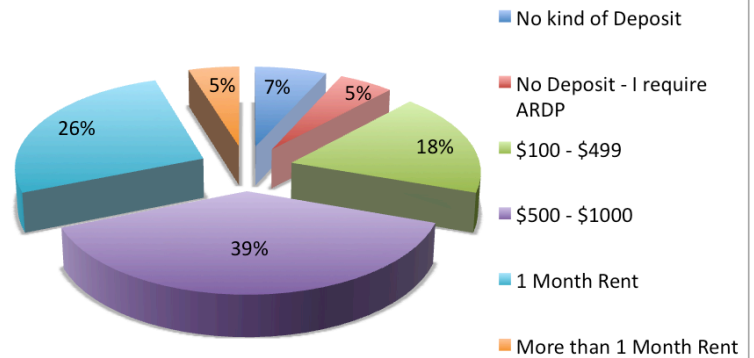
How do you protect your property from potential loss? How do you entice a company or a tenant to rent your property when you require a deposit, given these travelers can stay in a hotel without having to pay those types of fees?

It's essential to understand what the industry standards are and how to protect yourself without losing a great potential renter!

In 2016, respondents who collect "no kind of deposit" increased slightly to 7%—up from 2015's all-time low of 4%.

Meanwhile, the number of respondents who say they require ARDP/Accidental Rental Damage Protection dipped from an all-time high of 9% to an all-time low of 5%. We have seen a lot of volatility in the insurance products available to corporate housing rentals as insurance providers work to find the right product to offer.

### Do you charge a refundable security deposit?



**It's worth noting...** that the Corporate Housing Providers Association (CHPA) Industry Survey no longer asks about security deposits because most companies do not charge one. However, in the past, they've reported an average fee of \$726.

### Do you charge a refundable security deposit?

	2016	2015	2014	2013	2012	2011	2010	2009
No Kind of Deposit	7%	4%	12%	8%	11%	10%	16%	8%
No Deposit Accidental Rental Damage Insurance/ARDI	5%	9%	6%	8%	8%	n/a	n/a	n/a
\$100 - \$499	18%	17%	14%	12%	15%	22%	22%	35%
\$500 - \$1000	39%	36%	34%	36%	35%	26%	24%	19%
1 Month Rent	26%	32%	31%	32%	29%	31%	34%	6%*
More than 1 Month Rent	5%	3%	3%	5%	3%	11%	5%	3%

\*In 2009, a response option for \$1000 - \$3000 was also offered; it had a 28% response.



## Credit & Background Checks

Credit and background checks are an interesting topic given that more people have bad credit because they've gone through bankruptcies or foreclosures on previous properties. In today's environment, credit reports must be used carefully to evaluate a prospective tenant. In looking at a renter who has poor credit, you need to ask more questions to understand if the potential tenant is likely to be a repeat credit offender or if it's just a one-time occurrence.

In 2016, 31% of respondents say **"yes,"** they always run credit checks on potential tenants—down slightly from 34% in 2015. 34% say **"no,"** they never run credit checks or they don't know how, which is consistent from previous years.

We have been watching an **emerging trend** in which HOAs (or the rules of the building/community in which a property is located) require these types of checks. As such, we divided "yes" responses into two different answers: "Yes, because I want to" and "Yes, because my building requires it." Consistent with 2015, it does not appear that buildings play a large role in influencing this practice. Nonetheless, this is a trend we will continue to monitor.

Do you run credit checks on potential tenants?*							
Answer Options	2016	2015	2014	2013	2012	2011	2010*
Yes, Always (Because I want to)**	<b>29%</b>	33%	34%	32%	28%	26%	26%
Yes, Always (Because my building requires it)**	<b>2%</b>	1%	2%	n/a	n/a	n/a	n/a
Sometimes	<b>35%</b>	37%	31%	31%	36%	36%	36%
No - Never	<b>24%</b>	21%	28%	32%	30%	30%	32%
No - Don't Know How	<b>10%</b>	8%	6%	5%	6%	8%	6%

Do you run background checks on potential tenants?							
Answer Options	2016	2015	2014	2013	2012	2011	
Yes, Always (Because I want to)**	<b>26%</b>	31%	31%	29%	22%	23%	
Yes, Always (Because my building requires it)**	<b>4%</b>	2%	3%	n/a	n/a	n/a	
Sometimes	<b>34%</b>	32%	31%	34%	38%	33%	
No - Never	<b>26%</b>	25%	27%	31%	31%	34%	
No - Don't Know How	<b>11%</b>	11%	9%	5%	9%	9%	

\* In 2010, the question was asked differently and combined both credit and background checks. Starting in 2011, we divided the credit check and background check question into two separate questions. There is a significant difference between conducting a credit check and a background check. With that said, we found very little variance between the two topics, which surprised us. We expected credit checks to be higher than background checks; yet for all statistical variances, they appear to be the same.

\*\* In 2014, the "yes" response option was divided to better understand how many communities/HOAs require a tenant check.

## Credit Cards

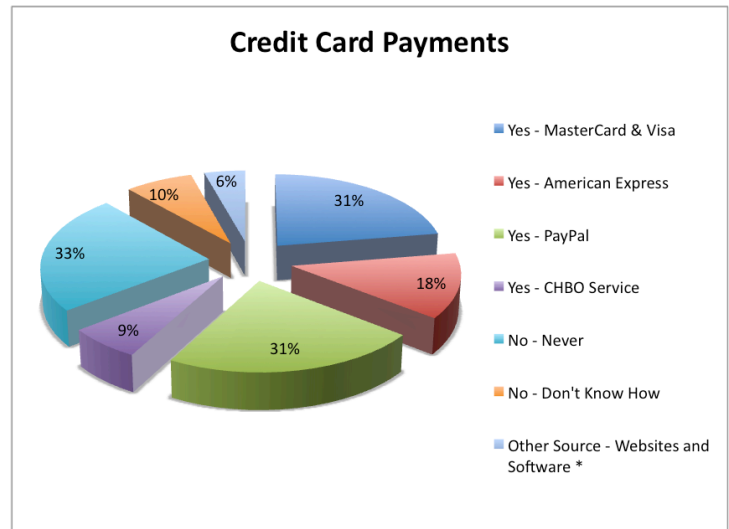
In today's digital world, the ability and willingness of property owners to accept credit cards is important. In 2016, MasterCard, Visa and PayPal were the **most popular credit solutions**.

Property owners say they enjoy the security options that credit card companies offer to protect them from fraud. When you combine this security with the convenience of credit cards, many believe the fees involved are worth it.

Tenants prefer to pay by credit card because it protects them too. It gives them the ability to dispute a charge if the property is not acceptable or if it isn't as advertised.

In the **"other"** category in 2016, respondents listed:

- ACH / Wire Transfer / Money Orders – Direct Banking
- Airbnb / VRBO / HomeAway
- Discover
- RadPad
- Venmo



### Do you accept credit cards for payment? (Check all that apply\*)

\* More than one option could be chosen; thus % is the % of respondents, not the % of the whole

	2016	2015	2014	2013	2012	2011	2010
Yes - MasterCard & Visa	37%	31%	42%	35%	34%	31%	38%
Yes - American Express	18%	18%	24%	20%	20%	18%	22%
Yes - PayPal	35%	31%	31%	36%	33%	32%	40%
Yes – Venmo **	6%	na	na	na	na	na	na
Yes - CHBO Service	8%	9%	11%	3%	4%	n/a	n/a
Other Source - Websites and Software *	10%	6%	9%	n/a	n/a	n/a	n/a
No - Never	33%	33%	31%	40%	35%	40%	35%
No - Don't Know How	9%	10%	6%	6%	9%	8%	9%

\* In 2014, we added "other source" as a new response option.

\*\* In 2016, we added "Venmo" as a new response option.



## Pets

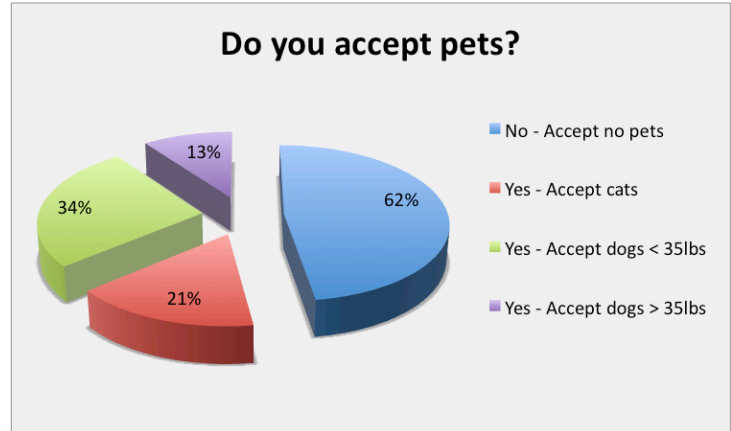
## Pet Trends and Fees: Accepting Pets and Why

Yes, many long-term business travelers and relocating families are arriving at rental properties with pets. Allowing pets in your property can give you a competitive advantage, higher rental return and higher occupancy (if managed properly). However, when pets “go bad,” they can cause extensive damage.

To preserve the quality of your rental, it’s critical to have a pet policy in place and take the time to qualify each pet. Remember that ARDP can cover damage caused by pets if the pet is disclosed on the lease and the damage is not the result of negligence on the part of the human.

Over the years, we’ve expanded the pet questions because we find that new corporate housing landlords have a lot of questions about this topic. Plus, we want to better understand what kind of impact having a pet-friendly property can make on your rental success.

**37% of respondents accept some types of pets**—consistent with the past three years. 65% of those who accept pets say they take pets because it gets their properties rented, which is lower than 2015. There was an 8% jump in those who say they accept pets because “everyone has one” and a 12% jump in those who say, “why not?”



**Do you accept pets?** (Check all that apply\*)  
 \* More than one option could be chosen; thus % is the % of respondents, not the % of the whole

	2016	2015	2014	2013	2012	2011	2010	2009
No - Accept no pets	63%	62%	64%	57%	52%	50%	53%	n/a
Yes - Accept cats	15%	21%	20%	22%	28%	29%	25%	20%
Yes - Accept dogs < 35lbs	32%	34%	29%	34%	35%	36%	39%	31%
Yes - Accept dogs > 35lbs	15%	13%	17%	14%	18%	22%	20%	11%

**Why do you accept pets?\*** (Check all that apply\*)  
 \* More than one option could be chosen; thus % is the % of respondents, not the % of the whole

	2016	2015	2014	2013	2012	2011	2010	2009
Gets the property rented	65%	72%	69%	67%	62%	69%	74%	n/a
Everyone has one	32%	24%	29%	26%	27%	24%	20%	n/a
I love animals	36%	32%	44%	41%	33%	27%	24%	n/a
Why not?	40%	28%	35%	25%	21%	34%	24%	n/a

\* In 2010, we added this question to the survey.

## Pet Trends and Fees: Fees and Damage

According to our 2016 survey results, the average, non-refundable, one-time pet fee was \$255. (This fee is generally applied to a special departure cleaning needed to eliminate hair and odors.) In addition, the average pet refundable deposit dropped to an **all-time low** of \$322.

Property owners who accepted pets say they **increased their monthly rental rate** by an average of \$107 per month.

25% of respondents say they charged ARDP insurance coverage to cover potential pet damage.

How many days in 2016 was your property rented with a pet?					
	2016	2015	2014	2013	2012
0 Days	<b>52%</b>	55%	52%	55%	43%
1 - 30 Days	<b>10%</b>	15%	13%	13%	12%
31 - 89 Days	<b>14%</b>	11%	12%	16%	20%
90 - 179 Days	<b>16%</b>	8%	12%	6%	12%
180 - 365 Days	<b>8%</b>	11%	11%	10%	12%

Was property damaged by a pet in 2016?					
	2016	2015	2014	2013	2012
No	<b>77%</b>	82%	77%	82%	74%
Yes, a lot	<b>5%</b>	3%	4%	4%	10%
Yes, a little	<b>18%</b>	14%	18%	14%	17%
Yes, but covered by insurance/ARDP*	<b>1%</b>	1%	1%	n/a	n/a

What do you charge in pet fees?							
	2016	2015	2014	2013	2012	2011	2010
Pet Deposit Amount \$	<b>\$322</b>	\$502	\$386	\$343	\$344	\$342	\$346
Rent - Pet Increase \$	<b>\$107</b>	\$68	\$74	\$132	\$147	\$57	\$39
Non-Refundable Pet Fee \$	<b>\$255</b>	\$251	\$262	\$204	\$253	\$144	\$175
No Fee - Charged Pet Insurance / ARDP	<b>25%</b>						



# Marketing

## Marketing Trends

The key to annual rental revenue success is high occupancy, which can only be achieved with quick turnover between tenants and effectively lining up the new tenant before the previous one departs. That's where marketing plays a significant role.

Getting a property rented is about having the right property at the right price and being able to connect with the right tenant. There is never one, perfect place to find a renter. As the economy and business trends change, where you find those right tenants will change too. Marketing means **creating the correct formula** to connect with individuals and businesses on a local, national and international basis.

**Key findings:** In 2016, property owners spent less on marketing, and they were less satisfied with their results than in previous years. These results are very similar to 2015.

Meanwhile, the number of respondents who say they have **professional photos** of their properties stayed high at 79% in 2016.

**Tip!** Before you even look at new places to market your property, it's essential to make sure your property listing is accurate, well worded and includes fabulous photos to make it easy to rent your property sight unseen. Talk to a CHBO Property Specialist about the CHBO Platinum Package if you'd like help with all of these.

### Annually how much do you spend to market your rental?

	2016	2015	2014	2013	2012	2011
\$499 or less	64%	63%	55%	63%	57%	63%
\$500 - \$999	18%	23%	25%	23%	25%	24%
\$1000 - \$1999	10%	7%	13%	8%	12%	10%
\$2000 - \$2999	3%	4%	4%	1%	3%	1%
\$3000 or more	4%	4%	3%	5%	4%	2%

### How satisfied are you with the results of your marketing?

	2016	2015	2014	2013	2012	2011	2010
Always rented	42%	41%	48%	51%	40%	40%	32%
Need a few more tenants	46%	44%	47%	43%	51%	54%	59%
Help, I can't get it rented	12%	15%	6%	6%	9%	6%	9%

### Marketing fee structure?

	2016	2015	2014
I like a flat marketing fee	87%	89%	85%
I like paying a % of the lease as my marketing fee	13%	11%	15%

### Marketing? (Check all that apply\*)

\* More than one option could be chosen; thus % is the % of respondents, not the % of the whole

	2016	2015	2014	2013	2012
Yes, I have <b>professional photos</b> of my property	79%	80%	75%	72%	62%
Yes, I have a <b>virtual tour</b> of my property	22%	17%	24%	18%	23%
Yes, I have a <b>website</b> specific to my property	34%	35%	39%	37%	40%
Yes, I used a <b>professional decorator</b> to furnish my property	19%	22%	21%	21%	21%
Yes, I have found renters through <b>social media</b>	28%	23%	25%	29%	17%

## Marketing Resources

Knowing where other people are marketing their properties can give you ideas on where to list your rental property to achieve the annually occupancy you desire. Typically, the key is to find a balance among several marketing options.

The three **most used marketing resources** included the CHBO basic listing (59%), Craigslist (37%) and Airbnb (37%)—similar findings to 2015.

Respondents say that CHBO was the source of the most qualified leads by a wide margin, followed by Airbnb, HomeAway and Craigslist. CHBO also was the source of the most renters, followed by Airbnb and HomeAway (tied), and Craigslist.

In the “**other**” category in 2016, respondents listed: CorporateHousing.com, radio, Sabbaticalhomes.com, Kijiji.ca, Sublet.com, Google, HOA, Apartment Guide, Yelp for Business and Wimdu.

### How do you market your furnished rental? (Check all that apply\*)

\* More than one option could be chosen; thus % is the % of respondents, not the % of the whole

	2016	2015	2014	2013	2012	2011	2010	2009
CHBO Basic Listing	59%	62%	57%	67%	64%	68%	80%	55%
Craigslist	37%	40%	40%	50%	44%	46%	55%	67%
Airbnb	37%	36%	30%	n/a	n/a	n/a	n/a	n/a
HomeAway	31%	27%	22%	n/a	n/a	n/a	n/a	n/a
CHBO Premium Listing	26%	27%	16%	17%	21%	20%	5%	n/a
Vacation Rental Website	19%	20%	18%	28%	22%	24%	31%	**
Trulia / Zillow ***	18%	14%	9%	n/a	n/a	n/a	n/a	n/a
Flipkey / Trip Advisor	18%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Facebook	17%	14%	21%	16%	17%	17%	19%	14%
Property Specific Website	12%	9%	14%	13%	13%	14%	16%	32%
Real Estate Agent	10%	11%	16%	17%	16%	14%	16%	*
Referrals/Commission	10%	9%	14%	14%	16%	15%	21%	12%
Real Estate MLS Service	9%	7%	8%	8%	8%	10%	8%	19%*
HomeSuite	9%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
CHBO Power Owner	8%	6%	6%	5%	8%	7%	9%	n/a
Marketing to Prior Tenants	7%	8%	14%	10%	11%	11%	14%	19%
Other Paid Internet Site	5%	6%	7%	10%	15%	19%	28%	41%**
LinkedIn	4%	4%	10%	7%	11%	6%	8%	n/a
Printed Brochure	4%	4%	10%	7%	9%	4%	9%	12%
Other Social Media	4%	3%	4%	4%	3%	3%	5%	7%
Management Company	3%	5%	11%	9%	10%	7%	6%	15%
Sales Calls	3%	4%	7%	4%	8%	5%	8%	7%
YouTube	3%	4%	7%	3%	3%	3%	4%	3%
Fliers/Bulleting Boards	3%	2%	6%	7%	8%	5%	6%	9%
Pinterest	3%	2%	3%	1%	3%	n/a	n/a	n/a
Twitter	3%	2%	4%	3%	4%	4%	5%	n/a
Online Virtual Tour	2%	6%	6%	4%	7%	6%	5%	6%
Window/Yard Sign	2%	2%	4%	5%	4%	5%	6%	11%
Newspaper	1%	2%	2%	3%	5%	4%	6%	11%
Rental Magazine	0%	1%	1%	2%	3%	0%	2%	7%

\* In 2009, Real Estate Agent and MLS were combined in one category.

\*\* In 2009, only “Other Website” was asked. In 2010, we were more specific about the website.

\*\*\* Trulia and Zillow merged in 2015.



## Marketing Results

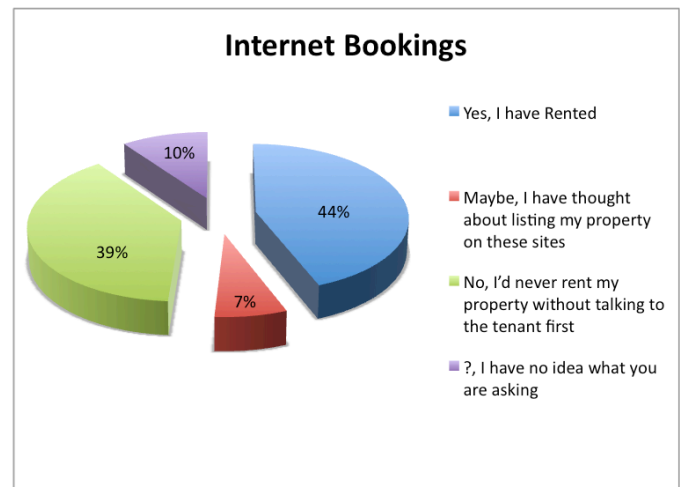
Qualified leads? I get qualified leads from the following sources... (Check all that apply)									
I get most of my renters from... (Select only one option)									
How do you market your furnished rental? (Check all that apply)									
	2016 QUALIFIED Leads	2015	2014	2016 MOST Renters	2015	2014	2016 Marketing SOURCES	2015	2014
CHBO (all services)	77%	82%	68%	37%	40%	35%	93%	95%	79%
Airbnb	35%	31%	25%	15%	17%	12%	37%	36%	30%
HomeAway	31%	24%	19%	15%	13%	12%	31%	27%	22%
Craigslist	27%	34%	25%	13%	10%	9%	37%	40%	40%
Trulia / Zillow	13%	7%	6%	3%	1%	0%	18%	14%	9%
Flipkey / Trip Adviser	11%			1%			18%		
Real Estate Agent	11%	12%	15%	2%	3%	2%	10%	11%	16%
Vacation Rental Website	11%	11%	11%	2%	4%	5%	19%	20%	18%
Facebook	8%	6%	6%	1%	0%	0%	17%	14%	21%
Referrals/Commission	8%	7%	11%	2%	1%	3%	10%	9%	14%
HomeSuite	7%			1%			9%		
Property Specific Website	7%	6%	6%	1%	2%	5%	12%	9%	14%
Other Paid Internet Site	6%	8%	3%	2%	3%	3%	5%	6%	7%
Marketing to Prior Tenants	5%	6%	10%	0%	0%	2%	7%	8%	14%
Real Estate MLS Service	5%	6%	6%	2%	3%	1%	9%	7%	8%
Management Company	3%	3%	12%	1%	1%	5%	3%	5%	11%
Fliers/Bulleting Boards	2%	2%	4%	1%	0%	1%	3%	2%	6%
Other Social Media	2%	3%	2%	1%	0%	1%	4%	3%	4%
Printed Brochure	2%	3%	4%	0%	0%	1%	4%	4%	10%
Window/Yard Sign	2%	3%	3%	0%	1%	1%	2%	2%	4%
LinkedIn	1%	2%	4%	0%	1%	0%	4%	4%	10%
Newspaper	1%	1%	2%	0%	0%	1%	1%	2%	2%
Online Virtual Tour	1%	4%	2%	0%	1%	0%	2%	6%	6%
Rental Magazine	1%	1%	0%	0%	0%	0%	0%	1%	1%
Sales Calls	1%	2%	7%	1%	1%	4%	3%	4%	7%
Pinterest	0%	1%	1%	0%	0%	1%	3%	2%	3%
Twitter	0%	1%	1%	0%	0%	0%	3%	2%	4%
YouTube	0%	2%	2%	0%	0%	0%	3%	4%	7%

## Internet Reservations

In 2013, we started asking how the independent corporate housing real estate market feels about **real-time booking reservations**, in which a property is leased through a computer website and the property owner has **no interaction** with the tenant.

Over the last two years, **real-time booking systems have become more popular**. These systems allow property owners a 24-hour window to confirm reservations, communicate with potential renters and get additional paperwork signed.

As a follow-up question, our survey asked: **If you answered yes, was your experience with real-time bookings good or bad?** 20% of respondents left comments. About 75% say they had positive experiences, and 25% say they had negative experiences.



## Would you or have you rented your property through a website in real time?

Answer Options	2016	2015	2014	2013	2012	2011
<b>Yes</b> (Check all that apply)						
Yes, I've rented my property through an Internet booking engine	23%	23%	12%	25%	16%	20%
Yes, I've rented my property through Airbnb	28%	31%	18%	n/a	n/a	n/a
Yes, I've rented my property through HomeAway	23%	20%	13%	n/a	n/a	n/a
<b>No</b>						
Maybe, I have thought about listing my property on these sites	10%	7%	12%	13%	19%	15%
No, I'd never rent my property without talking to the tenant first	36%	39%	42%	48%	53%	48%
?, I have no idea what you are asking	22%	10%	3%	14%	13%	17%

## **CHBO Services**

Because CHBO was designed to be both a marketing platform and an educational website, we asked respondents who use CHBO to tell us which CHBO products and services are the most valuable to them.

Ranked by popularity, the **top 12 responses in 2016** were:

1. Marketing: Property listings
2. *The Corporate Housing Handbook* for property owners
3. MyCHBO Dashboard documents
4. Background checks
5. CHBO's annual *Corporate Housing Report* (such as this report)
6. Professional photography
7. ARDP / Accidental Rental Damage Protection
8. Credit card processing
9. Virtual tour
10. Marketing: Banner ads
11. The CHBO Blog
12. Marketing: Google AdWords promotion

CHBO is dedicated to continuous improvement. We always appreciate your feedback on what works, what is useful, and what you need more of. Please feel free to call, email or connect with us through social media at any time.

CHBO is a community of property owners, managers and tenants, and as we work together, we achieve more.

## Appendix A: The Value of Corporate Housing – by CHPA

### Executive Summary

Corporate housing is fundamentally different from other types of short-term rentals. This well-organized industry provides a valuable service to businesses, employees and others in need of temporary housing while having a sizable economic impact on the communities where it operates. It is important that policymakers and officials understand the industry's importance and are cognizant of its particular characteristics and value when creating and implementing short-term rental policies. Corporate housing providers support fair and reasonable regulations.

### Many Names, Many Uses

The industry is known by a number of different terms such as:

- Corporate Housing
- Furnished Apartments
- Temporary Housing
- Full-service Apartments
- Executive Suites
- Executive Rentals

### Introduction

The short-term rental industry has existed for decades, serving a variety of clients and needs. With the peer-to-peer sharing economy explosion in recent years, short-term rental industries of all types have become a household subject. The different, distinct short-term rental industries, however, are commonly confused. With rapid gains in accessibility and popularity of short-term rentals, both individuals and organizations dedicated to protecting housing communities are concerned. In an effort to control these new industries and protect constituents, policymakers are enacting broad municipal and state regulations that could inadvertently or negatively impact other short-term rental industries, including corporate housing.

As an established and growing rental market, corporate housing serves a valuable and specific business purpose. It is important that those policymakers and government officials creating new short-term rental regulations are cognizant of the corporate housing industry, its economic significance, and both its similarities to and differences from other types of short-term rentals. As legislators attempt to keep up with the demand for regulation of the sharing economy, corporate housing industry leaders caution against knee-jerk policy responses that could unintentionally inhibit or prohibit necessary short-term rental housing.

Corporate housing is a different industry from other short-term rentals in that it provides unique benefits to the business community as well as a measurable economic impact to cities nationwide. The annual estimated corporate housing room revenue in 2014 was \$2.73 billion. While corporate housing often goes unnoticed, it is making significant economic contributions to communities in which it operates. It is a business-to-business model for professionally managed units with an average length of stay of 96 days, which is substantially longer than other short-term rental units. Corporate housing is a fundamental part of many businesses' operations and an important comfort to employees, among others, in transition. This type of housing differs from other short-term rentals in its clientele, how it is managed, and how it functions in the community. Because of these differences, it is much less likely to create the nuisance and disruption that so many communities are trying to eliminate through new regulations and should be protected from unnecessary and potentially damaging regulations intended to solve problems created by unexpected challenges in other short-term rental industries. Corporate housing is a vital industry that deserves thoughtful regulatory consideration.

### **Short-Term Rental Industry Overview**

There are a variety of short-term rental industries that serve different purposes and different clientele. In contrast to corporate housing, the short-term rental industry model is usually defined as units rented for less than 30 days that include furnishings and housewares and provide a more home-like environment than a hotel. Short-term rental housing can often serve the needs of families and large groups by providing more space than average hotel rooms and including kitchens so that clients can cook their own meals. These properties are often located in residential areas, affording the client access to residential areas they would not otherwise experience.

Arguably, the most commonly known type of short-term rental is a vacation rental: a privately owned home rented out to vacationers by the day, week, or month for leisure purposes. This rental industry has changed drastically in recent years with the explosion of the peer-to-peer model. It is becoming increasingly easy and popular to rent one's own primary residence out as a vacation rental, and many communities across the country are rising in opposition to the practice due to the nuisance that can sometimes accompany its participants who routinely self-manage as opposed to using professional management services.

Local officials are scrambling to answer policy and regulatory questions that have arisen due to the popularity of and ensuing opposition to this practice. The most prominent community concerns surrounding short-term vacation rentals are allegations of over-occupancy, ill-behaved guests, large gatherings, revolving doors of different guests with very short stays, failure to run criminal background checks and general lack of accountability.

The fundamental characteristics of the corporate housing business model obviate the problems and community opposition that can come with other types of short-term rentals, but this can be lost in the groundswell of political pressure and haste that can often surround these new regulations.

### **Corporate Housing Overview & Benefits**

Corporate housing provides rented furnished housing to individuals, military personnel, and corporations, primarily for longer than 30 days. It generally consists of apartments, condos, and single-family homes for people to use on a temporary basis while traveling for work-related purposes. For an employee being transferred to a new city, staying among local residents is of particular value in determining where in the city he or she will want to live permanently. An additional benefit for a corporate housing client is the ability to leave one's personal items intact when returning home for weekends, or traveling back and forth.

This type of lodging is more than just a place to stay; it is a much-needed service provided for employees experiencing a training or transition. It in turn helps employers achieve their business goals by cultivating more engaged and focused employees. It is estimated that the annual collective U.S. domestic employee transfer volume for *Fortune* 500 companies is 244,595. On average, organizations allow their employees 31 days to complete a transfer once accepted, almost necessitating interim housing for a smooth transition. Technology and professional services are the largest generators of corporate housing demand by industry. In addition to regular corporate clients like relocated employees, consultants, and employees in training, clients also include medical professionals, film and entertainment crews, patients receiving specialized care away from home, and those displaced by fire or natural disaster, among others.

Corporate housing has a positive impact on communities in a variety of ways, both direct and indirect. Property-owners benefit by collecting dependable rental income from tenants comprised of vetted professionals and their families. Immediate neighbors of corporate housing benefit from living near well-kept and closely managed residences.

Local economies also benefit from the strong economic impact that this often-unseen industry makes. This impact includes both the rental dollars paid for market-rate (often luxury) units, as well as visitor spending. It is estimated that the annual economic impact in New York City, for example, is \$580 million. Additionally, in New York, 5,700 jobs are attributed to the industry, equaling an additional \$190 million in salaries and benefits. Nationally, \$12.2 billion is spent annually on corporate relocation. Individual corporations spend nearly \$18 million yearly to transfer employees. The U.S. inventory of corporate housing is estimated at over 61,000 units. It is a high-demand form of accommodation whose supply is rising faster than its nearest competitor, upscale extended stay hotels.

As a full-service solution, corporate housing offers the comforts of home coupled with full-service amenities and handled through the convenience of a committed professional. The number of corporate housing units rose in most U.S. metropolitan statistical areas in 2014. Overall, an increasing number of people are using corporate housing units to ease transitions to new places.

### **Corporate Housing Differences**

Corporate housing providers are professional and operate as business entities. They do not function on the peer-to-peer platform that is currently causing challenges for legislators and issues for permanent residents. The professional, business-to-business model precludes the tax collection issues common to non-professional models—corporate housing providers are familiar with and pay hotel occupancy tax and other financial obligations, as required. In addition to abiding by appropriate tax codes, corporate housing providers comply with property zoning laws, health and safety codes, apartment community lease restrictions on minimum stay and other local regulations as they relate to short-term stays.

The model generally functions such that rental units are leased to a provider who then fills them as needed. Often, the corporate customer will engage in twelve-month leases or lease match with building owners and property managers who are familiar with the corporate housing model. The vast majority of units are leased by the provider and then re-rented to the client, as opposed to individual leases with many different clients. Corporate housing units are usually leased directly from the building owner, though on occasion providers also lease from one another.

Frequent changes in guests are unusual in a corporate housing situation, as evidenced by an industry standard of a minimum 30-day stay and an average stay of 96 days. The average stay for a short-term vacation rental, for example, is just under six nights. Corporate housing's longer stays translate into a less boarding house-like feeling for nearby neighbors. Clients may sometimes be individuals visiting for a conference or training but are more likely to be an employee and his or her family recently transferred or considering a move from another employer location. Employee relocations make up 37 percent of corporate housing rentals.

Corporate housing does not attract the bad behavior that poorly vetted short-term rentals can sometimes draw, like large gatherings and over-occupancy. Vacation rentals tend to attract larger groups, with two-thirds of all stays involving at least three people, and more than one third involving at least five. Corporate housing clients are professionally vetted, are typically housed for employment reasons, and are often accompanied by their families.

Experienced management ensures consistent contact for property neighbors. The standards for service for professional managers minimize the risk that an occupant will create a disturbance because, in addition to being accountable for client behavior to property neighbors, the professional manager is accountable for client behavior to the professional organizations that set industry norms and expectations. Many corporate housing industry professionals have industry designations and credentials highlighting their experience and knowledge.

### **Corporate Housing Providers Association**

The Corporate Housing Providers Association (CHPA) is the professional trade association committed to supporting providers of corporate housing all around the world. It has represented this business-to-business industry for twenty years, setting standards for service, providing a professional certification program, holding annual and regional conferences, and providing a code of ethics to help providers maintain the high standards of service necessary for the industry to remain viable and competitive with other types of accommodations. CHPA's 300 member companies include corporate housing providers as well as important industry partners.

Corporate housing providers have a standard expectation that includes everything from furniture to Internet service to welcome packages, ensuring high levels of service and accommodation. Corporate housing companies frequently meet standards that include:

- Health, Safety, Security and Environment (HSSE) Compliance;
- Payment Card Industry (PCI) Compliance;
- Safety and emergency plans in place with trained staff;
- 24-hour emergency lines;
- A standardized product regardless of location;
- Centralized management with professional offices;
- Background checks, security precautions, and insurance carried by professional providers;
- Clear options for recourse so that if a client is unsatisfied they can be moved to another location; and
- Compliance with federal, state and local regulations.

This set of standard requirements keeps corporate housing providers competitive and also helps keep communities and clients more secure.

### **Conclusion**

It is integral that municipalities and state governments support the longstanding and growing corporate housing industry so that the industry can continue to support business and people in transition. One important way to do this is to make sure that policymakers are aware of the specific impacts of corporate housing so that legislation is properly scoped to avoid negative externalities. Education of policymakers is particularly important given the wave of new regulations aimed at other types of short-term rentals.

The corporate housing industry's focus on professional management, a 30-day minimum length of stay, and high standards and level of organization set it apart from other types of short-term rentals.

Corporate housing is good for business and good for communities.

### **About CHPA**

CHPA is the only trade association dedicated exclusively to the corporate housing industry. The association advances the highest standards in business and professionalism; provides valuable insight, knowledge and resources to the industry; and increases visibility among related industries. Along with networking, education, certification, and information sharing, CHPA members grow their business and expand their reach through an international network of partners. Find out more about corporate or furnished apartments at [www.chpaonline.org](http://www.chpaonline.org).



## Appendix B: The Benefits and Tools of CHBO

### Effective Marketing for Your Property Listing

- **CHBO Complete™ program and seal:** You can use these guidelines to ensure your rental meets basic standards for furnished corporate housing. The seal is a desirable distinction of completeness that sets your property listing apart from other property rentals.
- **Power Owner seal:** If you have multiple property listings posted on CHBO, the “Power Owner” seal appears on your listings. This seal is a great way to generate repeat rentals with corporate users who like renting from you.
- **Geographic housing requests:** Busy corporate housing coordinators love CHBO because they can complete one, easy-to-use *Housing Request* form and connect with interested property owners and managers throughout a specific geographic area.
- **Multiple websites (free!):** CHBO feeds your property listing to more than a dozen of our partner websites, including multiple, CHBO topic-specific websites.
- **Property listing analysis:** A CHBO Property Specialist reviews each property listing and helps you get the most from your marketing dollars.
- **Marketing exposure:** CHBO actively markets to corporate housing coordinators, traveling executives and other business travelers who regularly need corporate housing and who are already registered with CHBO.
- **Listing upgrades:** Need to get your property rented today? CHBO offers a variety of ways to upgrade your listing to increase its exposure on the CHBO website on an as-needed basis.
- **Photos:** Display up to 33 photos of your property.

### Features on CHBO

- Professional **photography**
- Easier **search options**
- More **photos**—up to 33 per property
- **Larger** property displays
- More leasing **forms & documents**
- Expanded property **statistics**
- Enhanced occupancy **calendars** with import and sync features
- Improved **housing request** forms
- Personalized property **owner profiles**
- Expanded personal **dashboard**
- Professional **property description**

### Now available in print format on Amazon.com:

- *The Corporate Housing Handbook*
- *2016 CHBO Corporate Housing Report (Annual Report)*
- *2015 CHBO Corporate Housing Report (Annual Report)*
- *2014 CHBO Corporate Housing Report (Annual Report)*
- *2013 CHBO Corporate Housing Report (Annual Report)*
- *2012 CHBO Corporate Housing Report (Annual Report)*
- *Idiot’s Guide: Making Money with Rental Properties*