

VHomes During Shelter-in-Place

VHomes continues operations as an essential business in Arizona, where our live MVP saw 90%+ occupancy for March/April 2020, earning a record-high \$14K in March revenues. VHomes has temporarily repositioned our properties as Quarantine Homes for essential workers, displaced students, and individuals seeking isolation. While hotels/motels are reporting 22% occupancy, VHomes' market research further validates the demand for a consistent, technology-driven budget option.¹

An extended shelter-in-place order provides VHomes an opportunity to upgrade and refine its technology to allow for more efficiency, better user experience, and increased customer engagement. Our datasets will grow larger, and will be more thoroughly cleaned and analyzed with R, SQL, and Python; this time-consuming process greatly increases the accuracy of our machine learning algorithms. VHomes will enhance its dynamic pricing capabilities in this rapidly evolving landscape and will further identify customer profiles that solidify our niche.

VHomes will implement natural language processing (NLP) request parsing on top of its AI-powered customer service to boost speed, respond to a wider range of demands, and diagnose commonly underserved queries and inefficient areas in a self-improving cycle. We will analyze feedback from 600+ customers, efficiently revealing in-demand features. These tech pieces will provide a feedback loop of data and improvement, while simultaneously enabling continued growth in productivity and adaptability.

Finalizing our own web development will make it easier for travelers and landlords to work with VHomes directly. A better front-end experience will increase inbound landlord leads resulting in improved property opportunities. Additionally, the ability to book directly through VHomes' site will eliminate Airbnb's service fee, increasing both profits and VHomes' brand visibility.

Market Opportunity: Why Now?

Venture-backed competitors (Sonder, WanderJaunt, Lyric, Vacasa) that are locked into multi-year leases on upscale properties have been forced to lay off 30% or greater of their workforce in response to COVID-19.² Both Hotel/Motel and Short-Term-Rental (STR) supply will be decreased by this crisis. Airbnb has raised \$1B as investors believe STRs are here to stay beyond the crisis. VHomes is primed to capitalize on

¹ Diduch, M. (2020). Hotel occupancy rate across US drops to 22%. *The Real Deal*.

² Yale, A. (2020). These 9 Real Estate Companies Have Announced Layoffs Due to COVID-19. Million Acres.

market dislocation, build a sustainable business, and become the premier budget travel option.

In China and South Korea, where COVID-19 first impacted markets, economies are beginning to slowly reopen. Airbnb is reporting equal revenues to May 2019 for domestic travel.³ Chinese Labor Day (May 1st, 2020) is seeing 250% year-over-year revenue growth. Since over 90% of VHomes' customers are domestic, these statistics strongly indicate that pent-up demand for STRs will be realized when the U.S. economy reopens.

COVID-19 has further exacerbated landlords' pain point of liquidity, as over 30% of tenants are not paying rent.⁴ Pre-COVID-19, VHomes would call hundreds of properties to sell landlords on our model. We expect that the increase in missed rent payments brought on by COVID-19 will steer landlords to alternative solutions like VHomes moving forward. VHomes will have increased leverage when targeting and negotiating with landlords, allowing the \$60K from LMI to be used most effectively during the Shelter-In-Place period.

³(2020, April 9). Retrieved from [airbnb.com](https://www.airbnb.com)

⁴ Parker, W. (2020). Nearly a Third of U.S. Apartment Renters Didn't Pay April Rent. *Wall Street Journal*.