

Innovating Vacation Rental

An Interview with Michael Joseph,
Co-Founder and Chief Executive Officer,
InvitedHome



Breckenridge, Colorado's Sandara Place Living Room (left);
Santa Barbara, California's Montecito Beach Estate living room (above)

EDITORS' NOTE Michael Joseph has held his current post since 2013. Prior to this, he was Co-Founder and CEO of Vacation Rental Partner, Inc. He was also an Owner of Vacation Rentals of Lake Tahoe, LLC and Moore Road Properties LLC, as well as a Motorcycle Engineer for Honda R&D. He graduated in 2002 with a BSc in Mechanical Engineering from Brown University.



COMPANY BRIEF Founded in 2013, InvitedHome (invitedhome.com)

is creating the next historic hospitality company by combining the service and consistency of fine hotels with beautiful private homes in amazing destinations. Through a combination of roll-up acquisitions and organic growth, they are aggregating the best portfolio of homes in luxury resort destinations. They then overlay their systems to drive revenue, increase guest loyalty, and improve services for homeowners.

What was your vision for InvitedHome and what did you see in the market that made you feel there was an opportunity for this kind of company?

We looked at the vacation rental market and saw there was a lot of fragmentation, and there were almost no drivers of consistency or providers of great service. We looked at how the hotel industry evolved over the past century, and the brands that exist today like the Four Seasons, Ritz-Carlton, Marriott, and Hilton have been built on trust around consistency and great service.

In the vacation rental industry, there are a lot of micro entrepreneurs and micro hoteliers who are renting out their homes, and each one of those people has a different idea of what a good hospitality experience is and should be. So from a guest perspective, it's very hard to know what one is going to get.

There were no brands putting a stamp on the ground and saying, this is what a good vacation rental experience is and what it should be.

How do you differentiate your brand in this crowded market?

We're combining the consistency and service from fine hotels with beautiful private homes in amazing destinations. We are to Airbnb or VRBO what Four Seasons is to Expedia, although we don't compete with companies like

those – we use them as distribution channels. We differentiate in that we are a hospitality company with boots on the ground in every one of our destinations, and we handle the entire management and upkeep of the homes and the entire hospitality experience. We also provide a consistent experience across all of our homes.

How broad is your portfolio today and how hard is it to find the right homes?

Today, we're at about 200 homes in nine destinations across the U.S.: in Colorado, we're in Telluride, Breckenridge, Steamboat, and Vail; in California, we're in Santa Barbara, and North and South Lake Tahoe; and we're in Maui, as well as the Gulf Coast of Florida. Our goal is to get to all of the iconic U.S. resort destinations, ski towns, and beach towns. It's not that difficult to find the inventory we're looking for because we have a specific subset of homes that fit our criteria. It's about finding those homes when there are real estate transactions, and we track that to understand which of those homes that are being bought and sold are good for our program. Also, our general managers and local destination managers are very involved in the local community so they know what is going on in the real estate community in each of our destinations. They can keep an eye on which homes are coming up so we can work with the owners to join the InvitedHome program.

What are your criteria for an InvitedHome property?

We have a narrow focus on quality homes but we have several different sizes of homes, from smaller ones that are good for couples to homes that sleep 20 to 30 people.

We look for homes that are unique in some way and that have a specific level of luxury. They might have a great view or the location is fantastic, or they have a cool amenity, like a private movie theater. Then we look at the level of luxury of the home, if it has granite countertops, nice flooring, and if it's well decorated and gives off a high-end feel.

We also have a specific list of amenities that must be in the kitchen to make sure everything is there to cook with, as well as specific levels of Wi-Fi, and entertainment systems.

Because we are focused on second homes in resort destinations, we differentiate strongly

from companies that focus on primary residences and urban destinations. The people that own these homes typically live somewhere around the U.S., several hours away from the destination where they own these homes. We are taking care of the homes, preserving the value of the assets, and maximizing that value while providing rental income to the owners.

How broad is the market for you?

Most of our homes are the top 10 percent or four-star plus.

All of our homes are very nice but they can often be an affordable way for a family to stay in a fantastic home because the price per person is much lower than with a comparable hotel. They get the added advantages of a large kitchen to cook in and hangout in so there is no need to spend money going out to dinner every night or out for entertainment.

In building this company, did you have that moment when you knew it was going to work?

Before we launched InvitedHome, this company took several twists and turns. It started as a small management company in Lake Tahoe that turned into an idea for a software product for vacation rental owners to manage their homes themselves.

We looked at the industry and came up with the concept for a company based around consistent service in the vacation rental industry, and we started to look to launch new destinations. We acquired a few companies, and we had a few guests that said this is what they were looking for. That's when we knew we had something.

It speaks to owners as well because we take an asset management approach to managing these second homes.

How have you built brand awareness and is the Internet a big driver?

Yes. Early on, our strategy was to distribute the homes to as many of the big marketplaces as possible. As we got first-time guests to stay with InvitedHome, it was our goal to provide them with a fantastic experience and make sure they wanted to come back, then market directly to them.

This past year, we have focused on driving direct traffic through search engine optimization, as well as getting the brand out to the media and letting people know there is an option if they want to have an anxiety-free experience staying in a great vacation home. ●