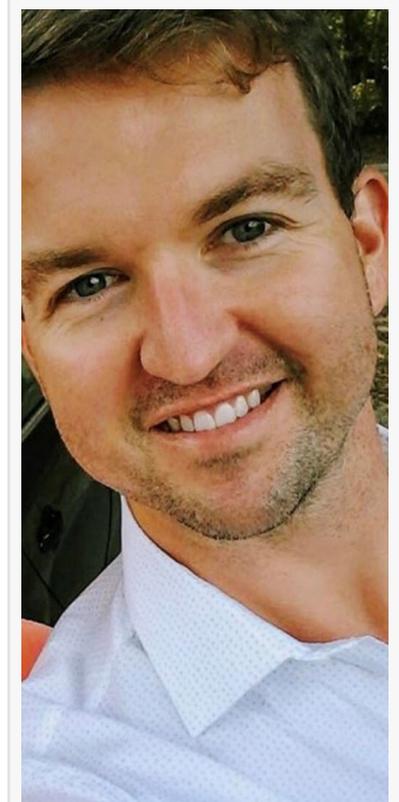


# Hotelier, Charlton Claxton, Talks Future of Vacation Housing

*Charlton Says: "Vacation rentals will seriously displace traditional hotels in the next 10-15 years, Hotels must evolve!"*

SAVANNAH, GEORGIA, USA, May 22, 2020 /EINPresswire.com/ -- Are you curious about the next major change to the vacation rental industry may look like? We took the time to ask Savannah Georgia based Hotelier, Charlton Claxton. For this article he discusses what he thinks the cottage industry might look like in the coming years. Like any other industry, Part of being a vacation rental owner is knowing the history of the industry in which you operate, and how it can change. The vacation rental market is expanding aggressively from a user prospective and from an investment prospective. This has been shown to be true, as Charlton himself was the first, on behalf of his company, to create a 10-year triple net leased investment out of the vacation rental industry. To that end, he says: "Understanding the history and industry trends allows vacation rental owners to seize future opportunities, and allows smart operators to create attractive returns for themselves and investors."

Charlton: "In the next 10 years we will see vacation rentals and corporate housing coming to look a lot like hotels look today. I believe there are many similarities already starting to be apparent between the two different hospitality types. We will see hotels shift to more of an "asset light" model where the traditional ownership of the hotel asset is split to where different parties own (Investors like REITs), manage (onsite managers, like our own company), brand (Hilton, Andaz), and the third group will provide reservation distribution (Expedia, Booking.com) for hotel rooms. In my opinion, this already very similar to how vacation rentals are structured. This is especially true under our company's model where an investor (or our company) owns the asset, we manage on a long term contract with the ownership group, and we receive reservations through the exact same channels that major hotels do- So if you compare the two, the same splits exist:



Hotelier, Eric Charlton Claxton (2020)

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Vacation rentals will seriously displace traditional hotels in the next 10-15 years, Hotels must evolve!"

*Charlton Claxton*

owners (individual homeowners), managers (local rental companies), brands (Wyndham is the biggest, but no brand has the scale of hotels yet), and distribution (Airbnb, VRBO- or more professional booking channels for larger operators such as us, with Expedia.com, Booking.com, Hotels.com”

Where do you see the next wave investments coming into the industry?

Charlton Continues: “I believe the big “gap” and opportunity for investment returns is what i call “brand”. I expect the oncoming gold rush to lead to national and regional operators becoming more like traditional hotel brands- by utilizing what makes them unique and providing a core brand experience that guests can expect, but yet they are staying in homes and other vacation rental structures. I believe there will be a lot of money made by these types of companies, whom are either simply branded operators, or operators whom are more like us whom are utilizing investor equity to build specialized properties, and then selling those special build micro properties to investors whom lease them back to the operators under a performance basis- which is exactly what our firm does. I think the upcoming changes and rental income will lure a new class of homes into the industry, whose owners were previously leery of the vacation rental concept, and it will lead to the quick decline of owner-managed properties, as individuals struggle to compete against professionally-serviced outfits. A decade from now, people will book a vacation rental with as much ease and confidence as they do a hotel room”

It wasn’t so long ago that vacation rentals were just mom & pop shop. Today, the cottage industry is now worth upwards of \$100 billion and we saw the industry exceed \$170 billion by 2019. With the rise of the internet, it’s so easy to learn about all the amazing travel experiences that are available throughout the world. The next step in the process that’s unfolding is to make the actual process of booking your travels just as seamless.

Charlton Says: “The demand for vacation rentals in highly desirable locations–coastal and tourist areas–will expand for both trophy properties, as well as lower end properties such as duplexes, fourplexes, and in-law quarters. Lower end properties in particular will provide direct competition to the hotel and motel industry especially in smaller southern markets like Savannah or Charleston. And more specifically to the historic coastal regions, I believe properties that have been family heirlooms will be more likely to remain in the same family than in the past, thanks to this rental income. Historically, trophy properties have tended stay in a family until maintenance and upkeep become unaffordable, at which time they sell. I believe legacy properties will stay in families for longer periods of time, if not indefinitely. The popularity of the industry has increased 57%, and is continuing to grow. This looks good for owners and investors.”

Eric Charlton Claxton, is the oldest step-son of real estate development titan G.S. Sheppard. Of all of G.S.’s children, Charlie is known for his career as a hotelier, real estate developer, business owner, and now, soon to be, published author. That last role might be the aspect you’re least familiar with: Charlie has spent the last year finishing up his freshman novel entitled “Earth

Bound". The book is about "what happens when a Christmas eve car crash takes the life of the youngest child of one of Savannah's oldest, most gilded families, and the dark places that everyone goes when we hurt".

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