



# Short-Term Rentals *at a* Crossroads

What's Next After Sonder?

**WEBINAR TAKEAWAYS**

THE **CRIMSON** CONNECTION

An Executive Conversation Series

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# Insights from Industry Experts



Host

Featured Speakers



**Dionis Rodriguez**

**Co-Founder and Senior  
CoPilot**

**Crimson CoPilots**



**Brad  
Hargreaves**

Founder

**Thesis Driven**

**Roman  
Pedan**

Founder &  
CEO

**Kasa**

**Parker  
Stanberry**

Fmr CEO, Oasis  
Senior CoPilot

**Crimson  
CoPilots**

**Anil  
Khera**

Founder &  
CEO

**Node**

**Michael  
Phillips**

Co-Founder &  
CEO

**Loci Capital**

**The Crimson Connection**

**AN EXECUTIVE CONVERSATION SERIES**



# The Operators Behind the Conversation

## Brad Hargreaves | Thesis Driven

*Scaled and operated Common Co-living, a category-defining urban living platform*

**Focuses on unit economics, operating discipline, and sustainable co-living models.**

## Roman Pedan | Kasa

*Founder of a leading tech-enabled apartment-hotel platform*

**Built the operator that absorbed more Sonder properties than any other; pioneered management-agreement structures at scale.**

## Michael Phillips | Loci Capital

*22+ years across real estate development, investing, and operations*

**Wharton Fellow; former Managing Principal at Lubert-Adler.**

## Anil Khera | Node

*Building a global, design-led flexible living platform*

**Operates at the intersection of STRs, co-living, and boutique hospitality; focused on bridging the US/Europe institutional capital divide.**



# The Crimson CoPilots Behind the Conversation

## **Parker Stanberry | Crimson CoPilots**

*Founder of the first professionally managed STR brand; full-cycle operator*

**Built Oasis Collections from 2008 to 2,500+ units across 12 countries; secured Hyatt investment and exited to Vacasa. 15 years of founder-operator experience spanning growth, operations, and exits.**

## **Dionis Rodriguez | Crimson CoPilots**

*25+ years advising and investing across global hospitality*

**Hospitality and real estate executive with global experience across major property types in the U.S., Canada, Europe, Asia, and Latin America. Founder of Crimson Rock Capital, The Crimson Connection, and the Harvard Business School Real Estate Alumni Association; Co-founder of Crimson CoPilots. Cornell Hotel School and Harvard Business School alum.**

# Executive Thesis

## THE DIAGNOSIS (Current State)

### **The Correction**

The industry is pivoting away from “Growth at All Costs” and the Master Lease model, which failed due to a fundamental mismatch between long-term fixed liabilities and short-term cyclical revenue.

## THE OPERATIONAL STANDARD (The Fix)

### **The Asset Manager Mindset**

Durability requires a shift to Management Agreements and “Co-GP” structures. Value is created by accurately allocating property-level expenses (OpEx) rather than hiding them in Corporate G&A.

## THE PROGNOSIS (Future Opportunity)

### **The 2026 Buy Signal**

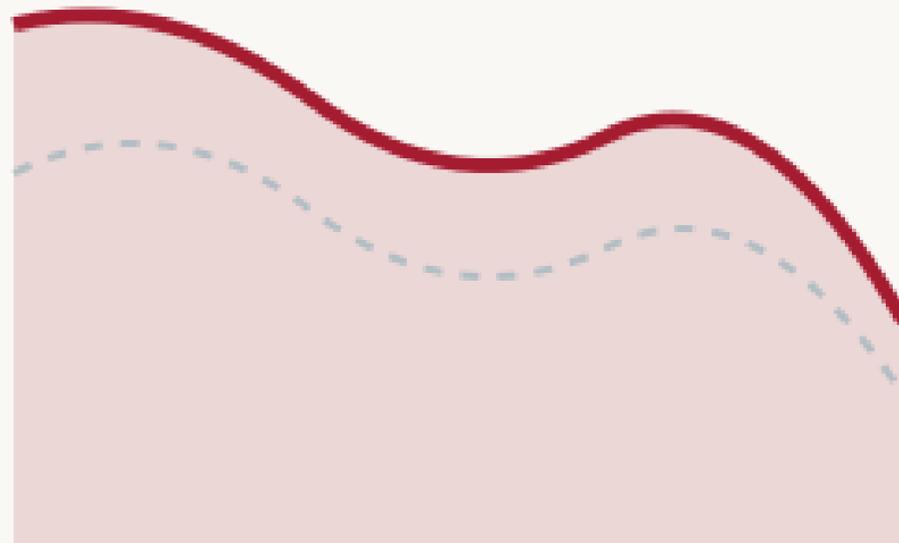
With asset values correcting and a “liquidity whirlpool” in effect, the 2024–2026 window offers a chance to acquire assets below replacement cost and professionalize them via efficient, tech-enabled operations.

# From 'Growth at All Costs' to Sustainable Asset Value

## The Venture Era

In this era, operators were fueled by venture capital incentives that prioritized "dots on a map" over property-level economics.

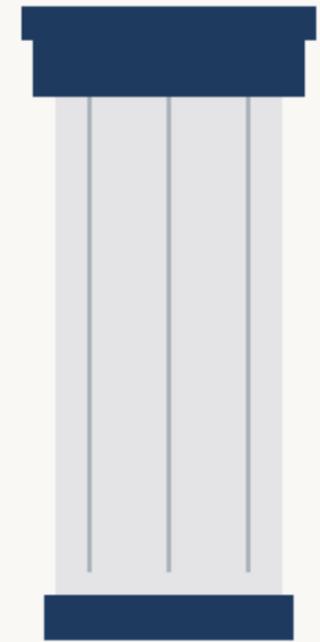
- Master Leases
- Top-line Growth
- Arbitrage



## The Asset Era

The shift is moving from being a "market-share aggregator" to a true Asset Manager focused on yield.

- Management Agreements
- Net Operating Income
- Operational Rigor



# The Origin Story: Solving for the "Missing Middle"

## Spectrum of Stay

### Hotels



3-4 Days. Reliable, short-term,  
small footprint.

### The Gap



4 Days to 9 Months

### Multifamily Leases



12 Months. Rigid, unfurnished,  
slow setup.

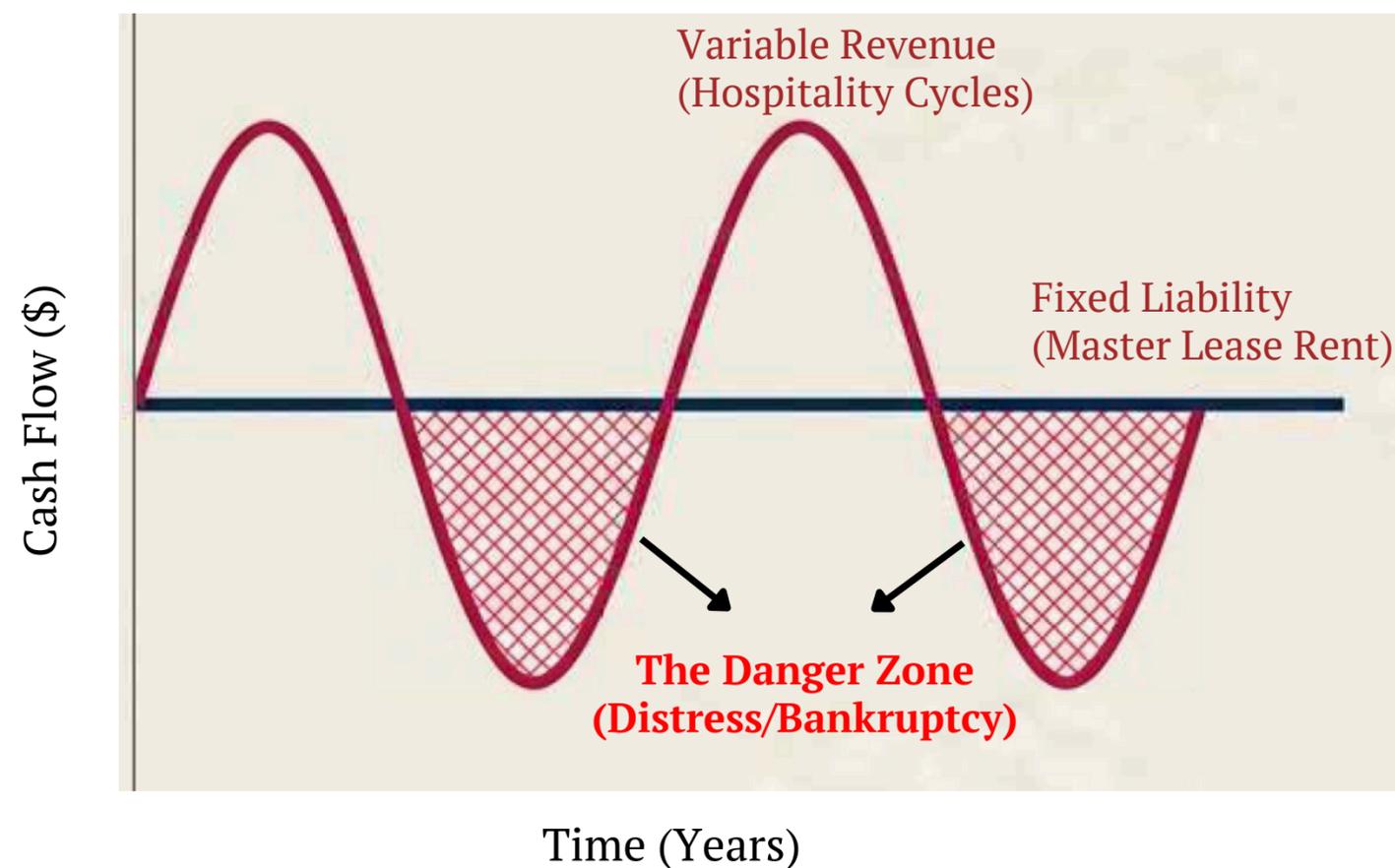
“Solving for the 'missing middle' requires a solution as simple and reliable as a hotel where that model no longer makes sense... but winning the next cycle requires the discipline to scale sustainably without ‘getting over your skis.’”

— Parker Stanberry, Crimson CoPilots

# The Correction: Why the Master Lease Model Collapsed in the US

## Structural Failure Analysis

### The Mismatch Chart



#### The Flaw:

Hospitality is inherently cyclical. Locking in long-term fixed liabilities against volatile revenue creates fatal leverage.

#### Thin Buffers:

US lease coverage is often only 1.1x-1.2x. A 10-20% revenue drop puts the operator underwater.

**(Roman Pedan)**

#### The Growth Trap:

Leases were used to "hack growth" because signing a lease is faster than winning a management contract.

**(Michael Phillips)**

# The "Fake Margin" Problem

## Financial Engineering vs. Operational Reality

### Profit & Loss Statement

Gross Margin

**+25%**

Property Level Expenses

Corporate G&A

**-\$237M**

Stuffing Expenses  
Below The Line

### The Reality Check:

Operators moved property-level costs (centralized support) into Corporate G&A to inflate unit economics.

### Comparison:

Sonder had ~\$237M in G&A in 2022.  
Hilton had ~\$350M, despite being 100x larger.

“I don't think the master lease structure is like inherently flawed when done the right way...You just got to underwrite it the right way and you can't be pressured...”

— Brad Hargreaves, Thesis Driven

# The European Exception:

## Why Leases Survive Across the Pond



### Europe (The Arbitrage)

Investor: Institutional / Pension  
Funds

Yield Requirement **Low (Bond-like safety)**

#### Mechanism

Cost of Capital Arbitrage. Investors accept ~100bps lower cap rates, leaving margin on the table for the operator.



### USA (The Squeeze)

Investor: Private Equity / Developers

Yield Requirement **Market Highs**

#### Mechanism

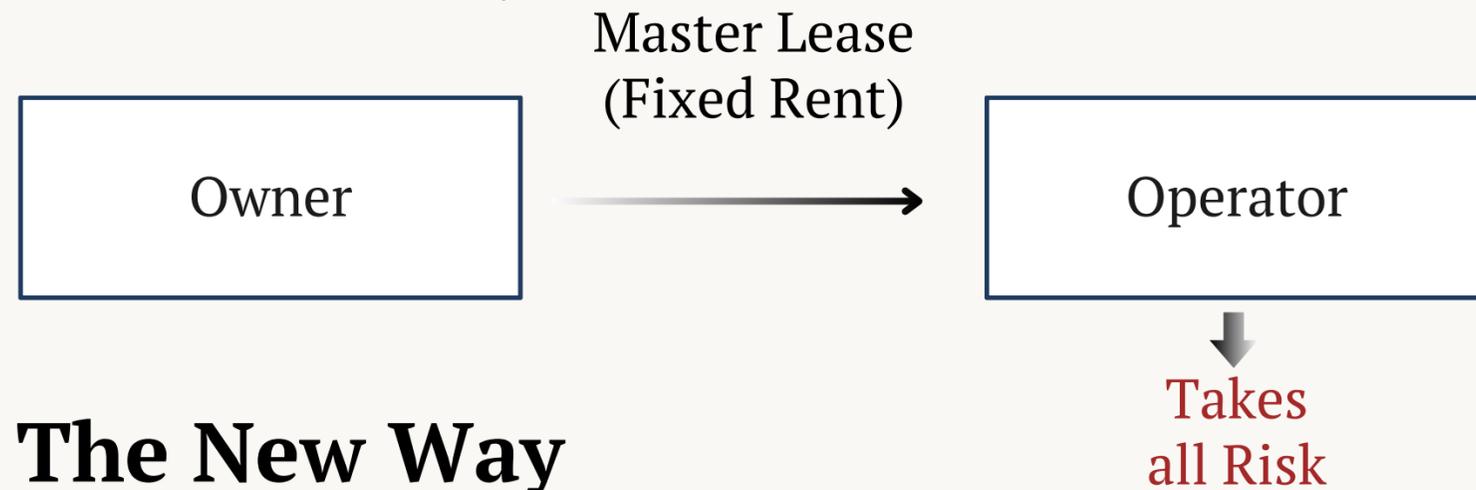
**No Arbitrage. Owners demand full market rents + Operators face high costs. No buffer for volatility.**

Without the 'pension fund arbitrage,' the risk/reward for Master Leases in the US does not pencil out.

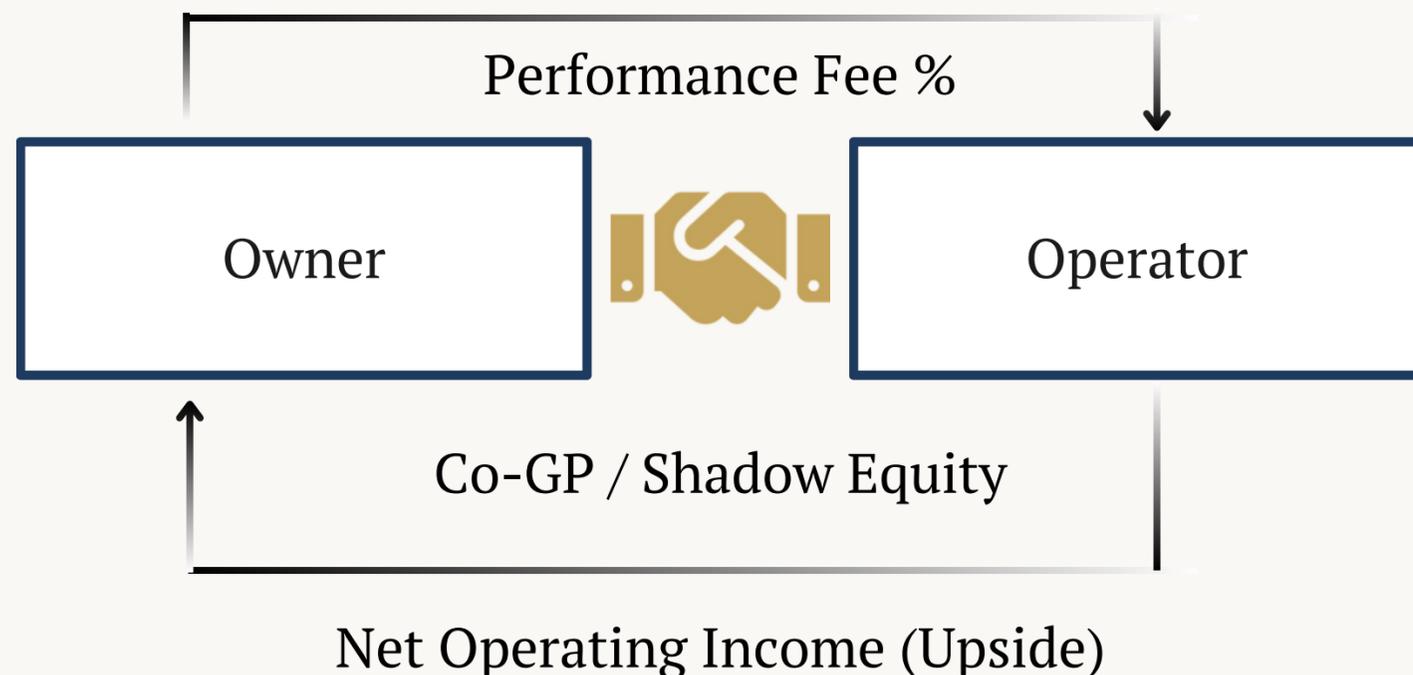


# The Strategic Pivot: Alignment via Management Agreements

## The Old Way



## The New Way



## Alignment of Interest:

Moving from arbitrage to performance. Owners get higher upside; Operators get downside protection. This structure allows assets to survive shocks because expenses scale down when revenue drops.

"We align with our investors and participate in that asset value uplift."

— Anil Khera, Node

# Operational Rigor: The Fox, The Hedgehog, and The G&A Diet

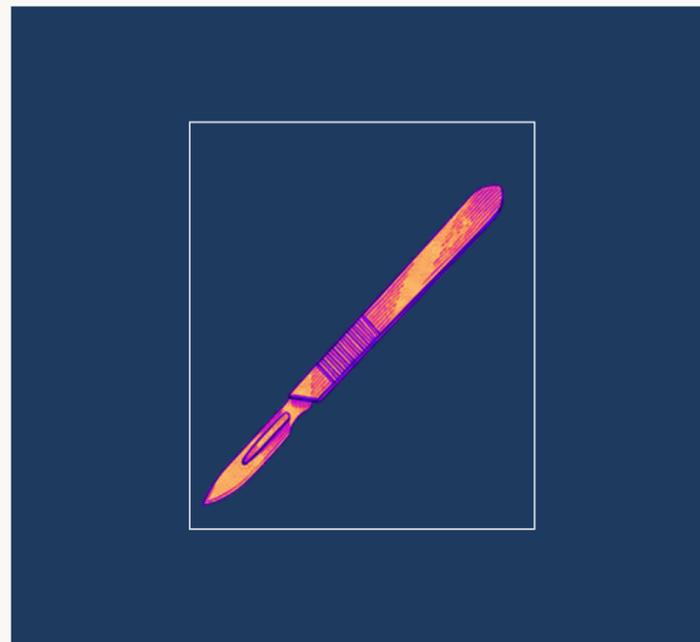
## The Fox (Sonder)



Trying to do everything: Developer, Designer,  
Tech Co, Operator.

**Result: Bloated G&A.**

## The Hedgehog (Kasa)



Doing one big thing:  
Property-Level Profitability.

**Result: Lean Ops.**

### The Pivot:

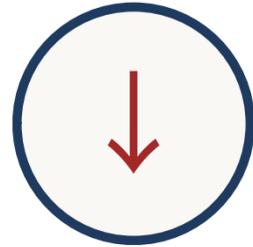
Automation and technology  
must be used to drive down  
operating expenses, not just  
facilitate bookings.

"Our one and only goal... is  
how do we improve the  
profitability of the properties  
we are managing."

— Roman Pedan, Kasa

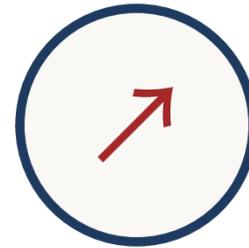
# The New Sweet Spot: The Rise of Mid-Term Rentals (MTR)

## Operational Efficiency



Turnover drops from every 2 days to 3 times a year. Massive reduction in cleaning and ops costs.

## Smoother Revenue



Less seasonality and volatility than vacation rentals. Consistent cash flow.

## Regulatory Safety



30+ day stays often fall outside strict short-term rental bans and hotel taxes.

## The Trade-Off:

You sacrifice top-line "yield" (lower ADR), but gain significantly in Net Operating Income (NOI) due to cost savings.



# Valuation Dynamics: How to Price the Hybrid Asset

Valued at Higher Risk Cap Rate (Alpha). The extra \$2/sq ft premium.

STR Yield Premium

Valued at standard Multifamily Cap Rate (Safety). E.g., \$4/sq ft.

Base Multifamily Value

## The "Reverse Lease" Strategy:

Ability to release floor-by-floor back to long-term housing if STR market falters.

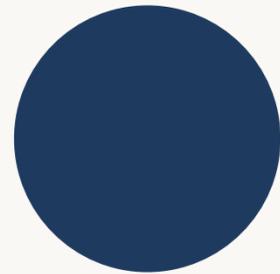
## Lender Reality

Banks often cap STR exposure at 10-20% of the building to maintain favorable financing terms.

# The "Hotelization" of Living: Is Brand Inevitable?

## Leverage on Space

### Multifamily



10,000 Units  
=  
~5,000  
Decisions/Year

Low Touch. Hard to build consumer brand awareness.

### Hotel



## Prediction:

Hotel brands will move into apartments (e.g., Marriott Residences) because they own the customer relationship. It is unlikely for apartment operators to become household consumer brands.

# The 2026 Outlook: The Winners Will "Buy and Build"

## The Thesis:

The time for "growth hacking" is over.  
Real estate values have reset.

## Target Markets:

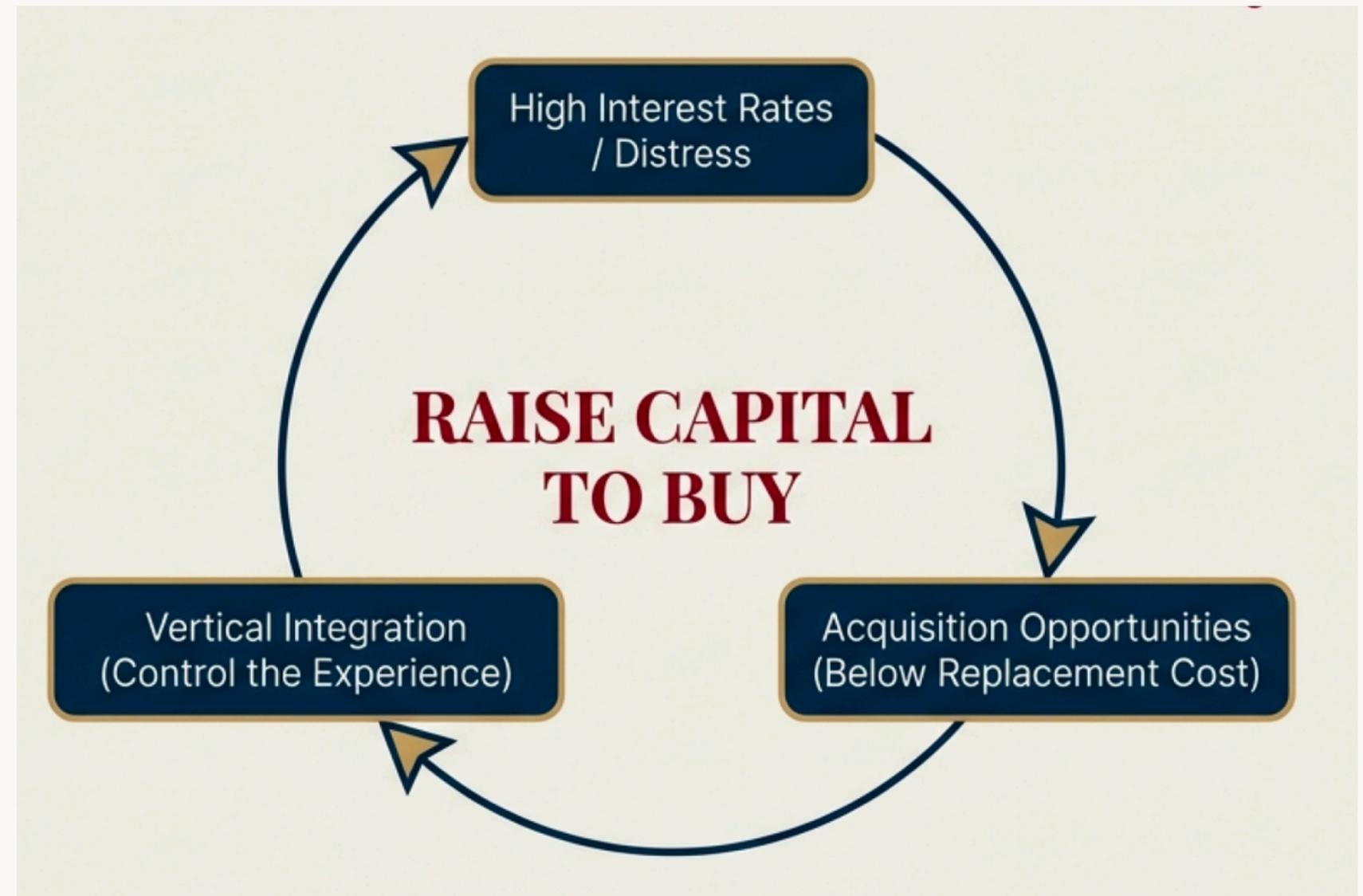
"Sun and Fun" Vacation Assets

**(Michael Phillips)**

and

High-Density Urban Co-living

**(Anil Khera)**



# The Investor Checklist: Distinguishing Value from Hype

1. "Scrutinize the P&L"  
Look for fully loaded costs. Is Corporate G&A scaling with property count?
2. "Check the Agreement"  
In the US, avoid Master Leases. Look for Management Agreements or Co-GP structures.
3. "Verify the Pivot"  
Is the operator flexible? Can they switch between STR (3 days) and MTR (3 months) based on demand?
4. "Valuation Reality"  
Ensure the exit cap rate reflects the asset type (Multifamily vs. Hotel) and isn't relying on 'Unicorn' multiples.

The 'Wild West' era is over. The next cycle belongs to disciplined real estate operators.

# Strategic Imperatives for Investors

## OPERATIONAL DISCIPLINE

Reject the Master Lease. Insist on accurate P&L allocation (property-level OpEx vs. G&A).

## ASSET ALIGNMENT

Operators must have skin in the game (Co-GP / Shadow Equity / Performance Fees).

## FLEXIBLE INVENTORY

Optimize NOI by mixing Short-Term (Yield) and Mid-Term (Stability) strategies.

## BUY THE BASIS

Utilize the current liquidity crunch to acquire assets at a discount to replacement cost.



# Explore the Full Analysis on STR

## Parker Stanberry | Crimson CoPilots

*Why the Short-Term Rental Management Model Keeps Failing* • [🔗 Read the full article here](#)

Parker draws on 15 years as a founder-operator to diagnose the structural flaw behind \$1B+ in STR failures: master leases that pair fixed liabilities with cyclical revenue. His thesis—sustainable models must behave like disciplined real estate operators, not growth-at-all-costs tech platforms—prioritizing property-level NOI and owner alignment over scale.

**The Math on Master Leases:** "You're locking in fixed rent to the landlord, then betting you can resell those nights at variable short-term rates. When it works, margins are 4-5x. When it doesn't, losses compound overnight."

## Roman Pedan | Kasa

*Sonder's Collapse Shows What Hospitality's Future Really Requires* • [🔗 Read the full article here](#)

As the operator that absorbed more Sonder properties than any other, Roman offers a front-row view of the model's collapse: Sonder's G&A (~\$237M) rivaled Hilton's—at 1/100th the scale. The path forward is management agreements, not lease arbitrage; tech-enabled hospitality, not "software margins from operational chaos."

“Travel is a force for good. The winners will be those who understand consumer behavior and have the discipline to build durable, profitable models.”

— *A Crimson Connection Panel Synthesis*



# About Crimson CoPilots

## On-Demand, Fractional Leadership

Crimson CoPilots is a fractional operating and advisory firm for real estate and hospitality. We partner with founders, leadership teams, and investors when things get complex—when growth goals, capital constraints, and day-to-day execution collide.

We don't just deliver recommendations. We embed experienced operators and strategic advisors into your team to drive the work forward—helping you make high-stakes decisions with clarity, move quickly with discipline, and reduce risk through hands-on execution informed by full-cycle operating experience.

We also give you the ability to flex your team during peak periods—adding senior capacity when you need it most, without the long-term overhead of permanent hires.

**Start a Conversation**

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### Strategic Advisory

Portfolio strategy, market entry, repositioning

### Operational Embedding

Interim leadership, turnaround execution

### Capital & Transactions

Deal structuring, LP/GP alignment, exit planning