

Hostmaker UK has closed its doors

Hostmaker the disruptive rental property management company based in London, has gone into administration with rival Houst taking over management for their bookings.

Temps de lecture : minute

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Founded in 2014 in London, Hostmaker, whose global mission was to help property investors, landlords and homeowners unlock the potential of every home and redefine the rental experience, has ceased its activity. Flying Jamon Ltd who operated as Hostmaker UK, has been placed into administration and has ceased to trade.

Their competitor Houst (formerly Airsorted) has taken over the management of Hostmaker's accounts and all bookings through Airbnb have been transferred to Houst.

Hostmaker's official statement

Flying Jamon Ltd, operating as Hostmaker UK, has been placed into administration and has ceased to trade.

Graham Bushby and Mark Holborow of RSM Restructuring Advisory LLP were appointed Joint Administrators on 28 February 2020. The Administrators will be writing to all creditors with information on filing claims for outstanding monies owed by Flying Jamon Ltd prior to the 28 February. In the meantime, you can contact RSM at restructuring.london.core@rsmuk.com.

To ensure continuity of service Houst Holdings Ltd, operating as Houst, have taken on the management of Flying Jamon Ltd's UK accounts from 28 February. They have prepared an information page to answer any immediate questions about their service: <https://pages.houst.com/hostmakeruk>

Houst will also be contacting you directly in due course.

Graham Bushby and Mark Holborow are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales. Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

The affairs, business and property of the company are being managed by the Joint Administrators who act as agents of the company and without personal liability.

But how did this happen?

Since its launch in 2014, the startup raised a total of \$30M (£23M) in two rounds, with backers including Thai property developer Sansiri and Hong Kong real estate investor Gaw Capital. Unfortunately, it had lost money over the past three years and only generated £17M revenue in sales in 2017 and 2018. The company spent big on marketing and its recent accounts revealed that Hostmaker had spent £9.9 million with a turnover of £12 million and administrative expenses of £16 million that led to an overall £14.3 million loss.

Furthermore, the company was at the centre of an advertising storm involving Transport for London (TfL) damaging its reputation. Hostmaker created ads suggesting that landlords could earn 30% more by switching to holiday lets, encouraging them to break the 90-day annual limit for

short-term lettings in London. This law was initiated in 2015 to protect long-term renting and was enforced by Airbnb in January 2017.

Hostmaker received lots of negative press, including a petition signed by more than 8,000 Londoners, and finally pulled their misleading short-term rental ads from the TfL network.

An apology from the founder

“We are sorry for the concern caused by our recent ad campaign and we acknowledge the tone was misguided. The adverts will be coming down this weekend and we will be reviewing all future creatives with our partners. Whilst it’s critical that there is plenty of affordable housing stock available, our portfolio is made up of premium homes in zone one and two postcodes and does not take affordable housing stock away from the market,” - Nakul Sharma, CEO of Hostmaker

From now on, Hostmaker's customers will be managed by its competitor Houst, who will deliver services on the exact same terms as Hostmaker was providing. On its website, Houst informs Hostmaker’s customers:

“Our absolute focus is on seamlessly transferring service and ensuring that you’re earning again as soon as possible. We know how important this is.” -

Houst

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