Airbnb broadens base with HotelTonight purchase

Airbnb is buying the hotel booking site HotelTonight in a further push to boost business around short-term home rentals. The property-focused site joins Airbnb partners with hotels to make unsold rooms available to last-minute travelers at discounted rates. The deal will give Airbnb, best known as a place to rent an apartment, house, or room in a private home—another source of revenue and customer growth as it seeks to become a full-service travel provider.

"A big part of building an end-to-end travel platform is serving every guest, whether they plan their trip by a year or a day in advance," said Brian Chesky, Airbnb chief executive and co-founder. Terms of the deal were not disclosed.

San Francisco-based HotelTonight was last valued at $50 million in a 2015 funding round. It has raised about $237 million since its founding in 2010, according to Crunchbase. For years, from backers including Accel, Battery Ventures, First Round Capital, Coeur d'Alene Management and GGV Capital, HotelTonight will be operated as a separate brand with its own website and app, but over time some of its rooms will also appear on Airbnb’s platform. Travelers searching Airbnb for last-minute listings where no accommodation is available could also be directed to HotelTonight.

Airbnb, valued at $31 billion in its latest fundraising round, is vying for position in the emerging short-term public offering of the city. In these secondary public offerings where private shares are made available to the public, the number of listings on its site for boutique hotel rooms, bed and breakfasts, hotels and resorts in 2018, although it did not provide the actual number of each listing, showed substantial interest in boutique hotels tripled in 2018 from the year before. The company is also seeing increased demand for luxury hotel stays. Same-day bookings have doubled from a year ago.

Last month, Airbnb said it was profitable on an adjusted basis for the second consecutive year in 2018, but did not give a specific figure. It expects to reach $1 billion in gross revenue in 2019, by the end of the first quarter.

Exxon and Chevron join Permian’s black gold rush

Still, they can be expected to have a profound impact on the shale industry as the two giants suck up assets such as rigs and producer announcing volumes of oil that could depress prices. “They have a certain level of technological advantage,” according to John Briner, an analyst at SVB Leerink.

Exxon and Chevron can make a success of their Permian expansion, there will be many other oil producers who should be able to learn from them. In 2008, when many international oil companies bought positions in the US, and most of those efforts ended in billions of dollars of write-offs. However, Trista Curtis of Peterson, a consultant, argues that this time Chevron, Exxon and other international companies may succeed not only because of a level of expertise but also in applying lessons learned in the US to other shale and similar “unconventional” places around the world.

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Amazon’s Haven venture gears up for launch

Amazon’s Haven venture is planning to launch in New York, according to people familiar with the matter. The arm of the company, which is making an attempt to become a full-service travel platform in the US, has been testing the market in the past year and has been using it to serve the needs of clients such as Friedman owner Bookings and Expedia, which are moving into home rentals.

In recent years, Airbnb has added premium and luxury home rentals to its platform, and made it easier for boutique hotels to list their rooms in a push to reach more guests by 2020. It is more than 800 listings for places to stay, but not all are privately owned homes or rooms. Airbnb said it had more than doubled the number of listings on its site for boutique hotel rooms, bed and breakfasts, hotels and resorts in 2018, although it did not provide the actual number of each listing.

The company is also seeing increased demand for luxury hotel stays. Same-day bookings have doubled from a year ago. Last month, Airbnb said it was profitable on an adjusted basis for the second consecutive year in 2018, but did not give a specific figure. It expects to reach $1 billion in gross revenue in 2019, by the end of the first quarter.