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From the San Francisco Business Times:

<https://www.bizjournals.com/sanfrancisco/news/2021/11/05/kasa-living-tech-operator-hotel-flag-roman.html>

Kasa operates hotels without a front desk. It just added four Bay Area hotels to its portfolio.

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Kasa Living Inc., a venture-backed hospitality operator that helps hotels run with fewer on-site employees, has added four more Bay Area hotels to its management portfolio and hired two executives specializing in hotel acquisition and development.

The San Francisco company is now managing The Row Hotel in San Jose, The Catrina Hotel in San Mateo and The Addison in San Francisco, along with the upcoming luxury boutique Hotel Castro. It primarily targets independent boutique properties with less than 100 rooms.

Kasa provides a proprietary operating platform and remote management team that replaces the front desk and other staff, reducing labor and other fixed costs by more than 50%. The additions cap off year in which Kasa saw 200% revenue growth as



THE ADDISON BY KASA

The Addison, a recently renovated short-term stay property at 2263 Sacramento St. in San Francisco, is one of four Bay Area properties recently added to Kasa Living's burgeoning hospitality portfolio.

the pandemic's lasting impact on hospitality and labor increased demand.

The company has more than quadrupled its portfolio in the last six months and now operates about 60 properties nationwide, including the La Monarca in San Francisco and properties in downtown San Jose and near Santa Clara University. It has raised more than \$56 million through its Series B round, according to Crunchbase, though Kasa declined to comment on the exact total.

"These local small business owners are urgently seeking solutions, and for a lot of them we're a lifeline," Kasa CEO Roman Pedan told me. "Several of the properties we've worked with were previously closed properties that we helped reopen because the economics or labor didn't work."

Pedan founded the company in 2016 after the Wharton School of Business alumnus spent several years as an investor at Walton Street Capital and New York investment firm KKR, where his team conducted \$1.2 billion of hotel acquisitions.

The new hires, Luke Callinan and Tom Riley, bring decades of hotel acquisition and development experience from The Chartes Lodging Group, Kimpton Hotels, Hilton Hotels & Resorts and Marriott International.

Pedan said the company can afford to pay its employees higher than industry average wages because its operations are more efficient per room.

While it's both challenging and exciting to help customers when not on-site, Pedan said "that's where the magic of the tooling we've built that helps surface answers quickly to teams that handle quite a large array of properties."

The most noticeable difference in a Kasa hotel is the lack of a front desk, as guests check in ahead of time on their phones and speak with staff mainly through calls and text.

"I could imagine someone rolling their eyes and thinking, 'OK, doesn't Marriott already offer this?'" he said. "Where we've innovated most is below the surface."

Kasa's platform automates processes such as room night audits and centralizes others so that a single tweak will translate to the whole portfolio, and data or best practices determined in one hotel can be swiftly implemented at others — for instance, collating data from smoke detectors and decibel meters to improve guests stays.

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