

Investors Are Calling Mt. Royal Home's Short-term Rental Program "Low-Key Ingenious"

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ATLANTA, GEORGIA, UNITED STATES, April 20, 2020 /EINPresswire.com/ -- As the global Covid-19 Pandemic wears on, causing stock markets across the globe to seem more like a roller coaster ride, investors are piling into government bonds and real estate as safe guards against uncertain times. A stand-out in real estate products currently on the market is Mt. Royal Home's 10 Year NNN leased corporate housing products. In-fact investors have begun calling the company's real estate products "low key ingenious". As the leading provider of NNN leased corporate housing products for sale, the staff of Mt. Royal Homes spends a lot of time educating investors about the properties. As a company that both manages other owner's assets, and a company whom develops and sales its own sale/leaseback properties, the same few questions are always asked:

How does the master lease model work for short-term rentals?

Mt Royal: Working with us is easy. On the property management front, Developers benefit from Mt Royal's performance master leases in a number of ways. We enable a whole new level of stability for the asset and cash flow participation, conceivably above what would be earned as traditional rentals. Whether we are leasing a large single family home or entire buildings, which is becoming a popular approach, our multi-year master leases include a rate increase clause, which guarantees the asset will



641 Erin Avenue Atlanta GA -Offered at \$550,000



1247 Lucile Ave Atlanta Georgia- Offered at \$600,000.00

be more profitable each year during the lease. Basically Mt. Royal agrees that it will consistently raise its rack rates on the corporate housing units under lease by at least 3% annually. As part of the master lease, Mt. Royal recommends that developers agree to an exclusivity clause, which eliminates the complexity of having several short-term rental operators in buildings at once. With a single short-term rental anchor tenant, operations are streamlined and it's much easier to manage guest guideline compliance to set up both parties for success. However, we do have experience working with other operators within the same building- for us it is all about the mutual success for the landlord and everyone involved, and the continued satisfaction of our clients in residence.



1779 North Olympian Way SW Atlanta GA -Offered at \$650,000.00

Would this concept work for suburban areas as well as downtowns?

Mt.Royal: We can work at any place that hotels operate. Travelers find it's a better value than paying for cramped cookie cutter hotel rooms or sterile feeling corporate apartments. Our company actually strives to provide each guest with a "localized curated guest experience" to truly help them get a feel for the community and live like a local. And, unlike Airbnbs, the guest experience is consistent so there is much less risk involved. Our guests get all the perks of upscale living including a full kitchen and in-unit laundry facilities for a similar or lower price than a hotel room. While Mt. Royal is primarily focused on premium urban districts where travel guests can live like locals and walk to everything, we are actively developing assets in southern tourism markets as we continue to position ourselves as the next generation of boutique themed hotel operator and residential real estate operator. Consumers are demanding more from their accommodations where ever they go, and we think that's great! We are even exploring a concept of a rural rustic style accommodations in settings up to an hour out from popular tourist destinations, think a Fort Wilderness style eco resort. We are firm believers that if the product is provocative, convenient and well appointed- our guests will love the facility.

What types of Buyers buy from Mt Royal, and Why do developers lease to your company?

Mt. Royal: As the original and largest provider of NNN lease corporate housing products in the United States, the company has single family up to 20 unit residential buildings available for sale that will be leased back by Mt Royal Homes on a 10 year NNN Performance Lease. These investment assets give the buyer/ investor a solid cap rate range of 8%-13% and allow for zero management duties from the owner. Mt. Royal has perfected a performance lease model that can work for any multifamily developer, we're in a new phase of expansion that includes adding more units and new projects with existing partners. The opportunity to deepen our relationships with new ventures is the best indication of our performance and our partners' satisfaction with our model.

In terms of new development partners, we generally look for owners of newer upscale buildings in central business districts where you would find hotels. The reasons for wanting to add a short-term rental can vary greatly, from building escalation to lease up and stabilization. We are deal makers and like to create balanced deals for all parties.

Sometimes, buildings ease into the program by starting with a handful of units. We've found,

however, that short-term stay programs operate exceptionally well at scale where we can lease entire floors or even full buildings. It's ideal when we can add building features for travelers like a separate lobby that includes luggage storage and our branded concierge service.

What are some examples of the triple-net leased residential assets that your company currently has for sale?

Mt. Royal: we have a wide array of assets spanning from the 400's thru \$1.3 mil, all offering cap rates between 8% - 13%. All properties are new construction or else are newly renovated.

- [641 Erin Avenue SE Atlanta GA - \\$550,000.00 - 11.45% Cap Rate](#)
- [1247 Lucile Ave SW Atlanta GA - \\$600,000.00 - 12.79% Cap Rate](#)
- [1779 North Olympian Way SW Atlanta GA - \\$650,000.00 - 12.98% Cap Rate](#)

If a property owner or investor has more questions, they are invited to call the office at 888-316-1479.

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