

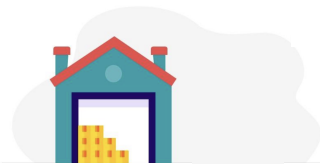
# AirHouse

*Sustainable On-Demand Storage Space*



ELPP Spring 2023

# AirHouse Team



**Abhijit  
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CEO



**Pradeep  
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CTO



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CMO



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Shirwadkar**  
CPO



**TzuFang  
Huang**  
CFO





In the midst of chaos, there is  
also opportunity.

~ Sun Tzu

# Market Need



**The New York Times**

SQUARE FEET

## Warehouse Space Is the Latest Thing Being Hoarded

Logistics firms are finding new options to deal with storage, including building multistory facilities and locations farther from coastal ports.

**THE WALL STREET JOURNAL.**

LOGISTICS REPORT

## Small Businesses Getting Squeezed Out in Push for Warehouse Space

Large retailers and manufacturers are gobbling up scarce storage capacity as excess inventories fill up industrial real estate

**SevenFiftyDaily**  
The business and culture of drinks

ARTICLES GUIDES PARTNER JOB CENTER SUSTAINABILITY | SUBSCRIBE

INDUSTRY ISSUES

written by Andrew Kaplan  
published November 21, 2022  
SHARE

## The Escalating Shortage of Warehouse Space in the Beverage Industry

The pandemic exacerbated problems plaguing beverage alcohol warehouses,

**abc NEWS** VIDEO LIVE SHOWS GUNS IN AMERICA

## US warehouses running out of room amid supply chain crisis

"Demand for space is the greatest I have ever seen," warehouse owner says.

By [Victor Ordonez](#) and [William Kim](#)  
November 3, 2021, 3:01 AM

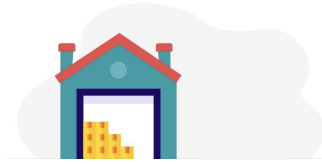
[f](#) [t](#) [e](#) [l](#)

## America's Biggest Warehouse Is Running Out of Room. It's About to Get Worse

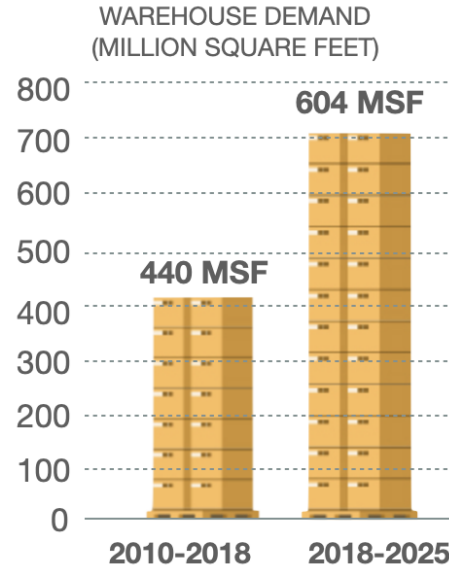
By [Reuters](#) | Aug. 2, 2022, at 6:05 a.m.



# Market Need



E-Commerce  
**43%** sales growth  
in USA alone  
In 2020

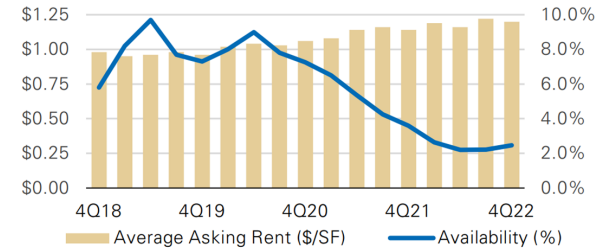


Additional demand for US  
Warehouse space created by  
increased **E-Commerce Sales**



For every \$1 billion in E-Commerce sales **1.25 MSF** of warehouse space is needed due to the shift from stores to warehouses

ASKING RENT AND VACANCY RATE



**And so:**  
**Warehouse space on the market  
in the US is  
at its lowest point since 2000**

# Our Solution

Create an AirBnB for empty spaces in SFH = AirHouse  
Real-time Bidding Platform, 2-Sided Marketplace

E-commerce Merchant



Bid on the storage option  
of their choice



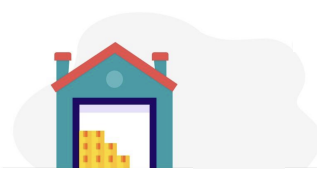
Homeowner with space



Finalize winning bid

Base pricing based on location, square  
footage and features

# Value Proposition



## For Homeowners

- Monetize empty space and generate an alternate revenue stream
- Space utilization with no invasion of privacy
- Opportunity to expand and become a full time warehouse business





## For E-Commerce Merchants

- Economical storage option
- On-demand space renting: no lengthy contracts
- Choice of multiple close-to-end point storage locations, cheap last mile delivery
- Flexibility of choosing duration of storage



# Product UI





**AirHouse**PropertiesMerchantsHomeownersLogin/Sign Up

Property Location:  Property Type:


Net Rentable Area:   Property Features:  Occupancy Rate:

LESS FILTERS SAVE SEARCH

307 Properties Available for Rent

96 per page  Best Match   


Online Auction  
Apr 17 - 19, 2023



Starting Bid **\$200**

5855 Burchell Avenue,  
San Jose, CA 95120


Online Auction  
Apr 18 - 20, 2023



Starting Bid **\$125**

828 Nevada Avenue,  
San Jose, CA 95125


Online Auction  
Apr 18 - 20, 2023



Starting Bid **\$200**

478 Bannock Circle,  
San Jose, CA 95130

Online Auction  
Apr 18 - 20, 2023



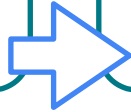
Starting Bid **\$150**

5915 Blue Topaz Court,  
San Jose, CA 95123

# Phase 1 vs Phase 2



Online merchant browses AirHouse platform and wins a bid on a Property



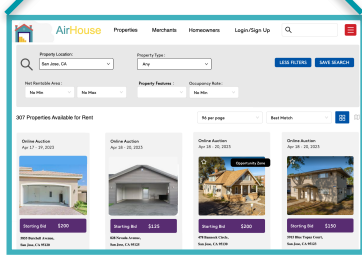
Online merchant transfers inventory from manufacturing to contracted storage



Merchant receives an online order



Merchant arranges pickup of sold goods from storage location to customer



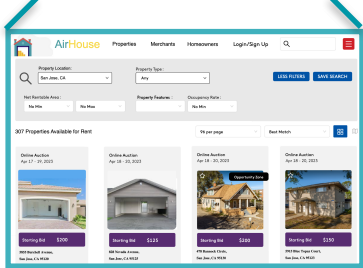
# Phase 1 vs Phase 2



Online merchant browses AirHouse platform and wins a bid on a Property

AirHouse with a **Shipping Partner** picks and transfers finished goods to the contracted storage

When merchant receives an online order - Garage side pickup Or package delivery partner



GARAGE-SIDE PICKUP



Berryessa 95131



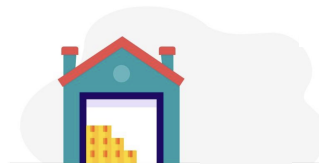
Berryessa 95132



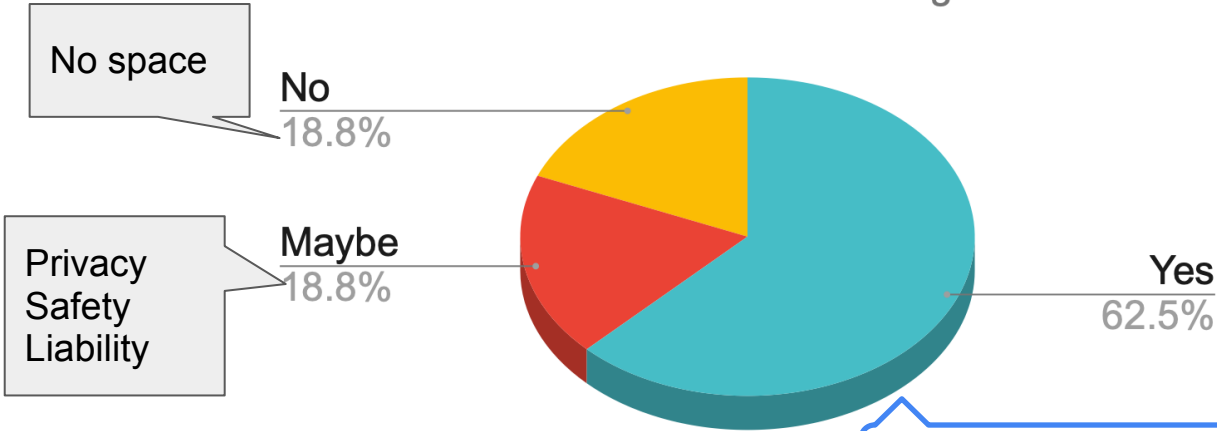
*Dasher*

Under 2hrs last mile delivery

# Supply Validation



Do you have empty garage space that you would want to rent out for storage?



Rasik P  
Homeowner (Fremont)

*I would sign up for this. I would not host on AirBnB because I don't want a stranger in my home but keeping stuff in the garage is okay!*



# Demand Validation



Source: <https://www.mercurynews.com/>

**Saratoga-based small business owner rents office space in parents' home**  
Move allowed Kirstie Wang to expand Jar of Pickles



“

Wang started **storing inventory** and packaging orders in her **childhood home** in Saratoga last month after she outgrew her own garage space. Her parents, Johnson and Jennifer Lee, also **built an attic space for extra inventory storage**

“



# Business Model

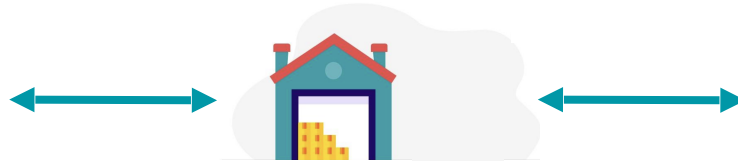


*Connecting homeowners with space with merchants who need it*

**E-commerce Merchant**



Bid on the storage option  
of their choice



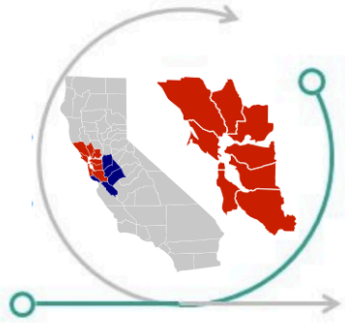
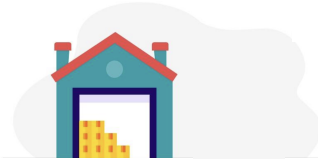
**AirHouse**  
**7% commission**

**Homeowner with space**



Finalize winning bid  
Base pricing based on  
location, square footage and  
features

# Go To Market



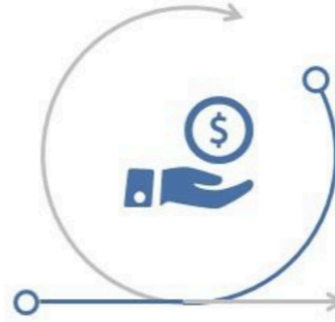
## HYPERLOCAL

Target SF Bay area, learn  
and refine the product



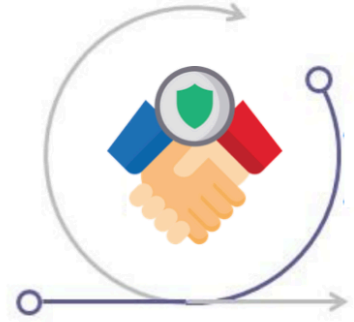
## BUSINESS PLAN

Offer only storage  
Partner with Etsy &  
Ebay  
Focus on small volume  
consumer goods



## PRICE

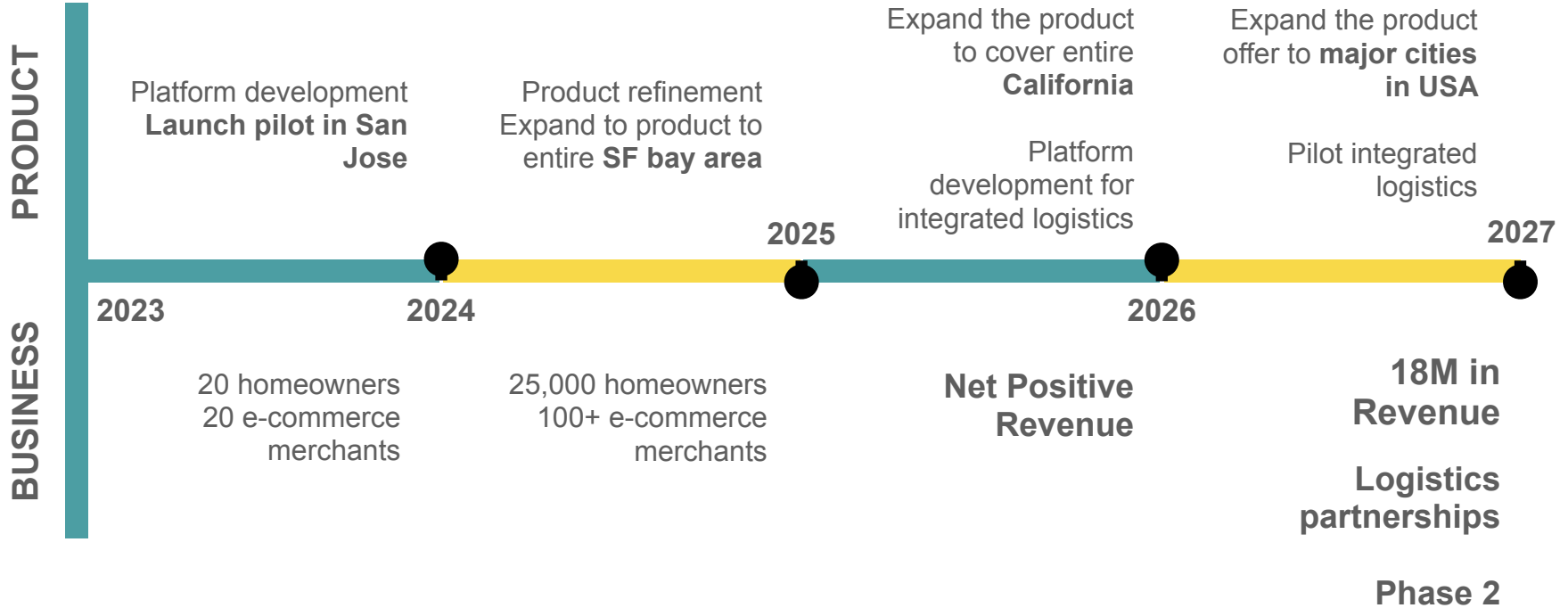
Offer promotional  
discount to long term  
rentals

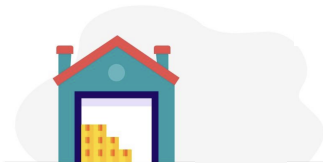


## BUILD TRUST

Provide storage lockers  
Vendor verification to  
ensure safety

# Success Roadmap





# Market Size

**\$30B**

USA E-Commerce Fulfillment  
Services Market  
(Total Available Market)

Source: [Straits Research](#)

**\$9B**

E-Commerce Warehousing  
and Storage Fulfillment  
Services  
(Serviceable Available Market)

Source: [Straits Research](#)

**\$300M**

Storage with AirHouse  
(Share of Market)  
2026  
3.5% of Available Market

# Competition



## E-Commerce warehousing and fulfillment

Self fulfillment/Local Storage

Drop-shipping

Third-party logistics (3PL)

Limited by commercial warehouse space

### Phase 1 Competition



Local warehouses

### Phase 2 Competition



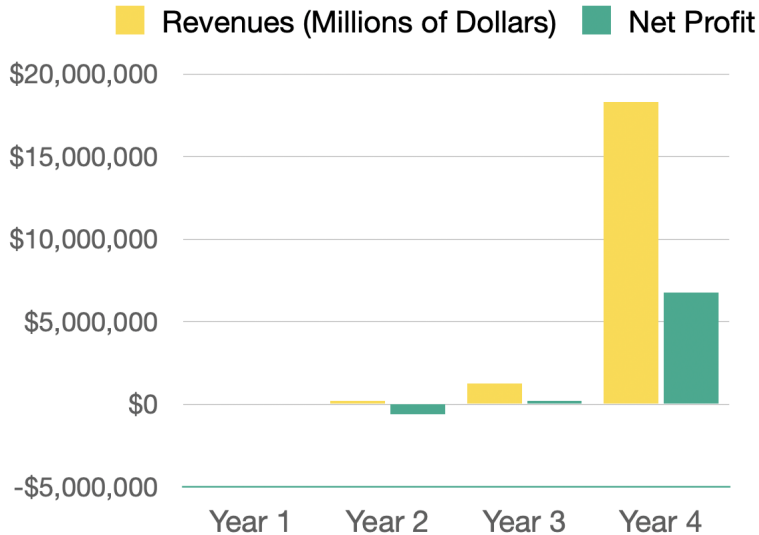
Flexe



# AirHouse Financials



We target \$18M revenue by 2026



|                                     | 2023  | 2024  | 2025   | 2026    |
|-------------------------------------|-------|-------|--------|---------|
| <b>Storage Square Footage (MSF)</b> | 0.006 | 1.305 | 9      | 98.4    |
| <b>Total Distinct Properties</b>    | 20    | 4,350 | 30,000 | 328,000 |
| <b>Revenue (M \$)</b>               | 0.0   | 0.2   | 1.8    | 18.3    |

# What Do We Need

**\$250k for first 18 months**

Develop the platform

Launch the pilot program in San Jose

Engage 25k distinct homeowners and 100+ merchants on the platform in SF bay area



Sustainably create 100MSF of warehouse space with \$0 construction cost

Thank You

