

Entrepreneur Training Program – The 3rd Entrepreneur Seminar Mr. Takashi Sabetto, President of ADDRESS Inc.

On Wednesday, September 2nd, the 3rd Entrepreneurial Seminar was held with Mr. Takashi Sabetto, President of ADDRESS Inc., as a guest speaker.

Profile:

Mr. Takashi Sabetto (President, ADDRESS Inc.)



Joined GaiaX Co., Ltd. in 2000. After public relations and business development, he established the Sharing Economy Association in 2016 and became Executive Manager. In 2017, he was appointed a sharing economy evangelist by the National Strategy office of Information and Communication Technology of Cabinet Secretariat and became a member of the Sharing Economy Task Force of the Ministry of Internal Affairs and Communications.

In 2018, he became a member of Study Group on Grasping Economic Activity in the Sharing Economy through Statistical Surveys of Ministry of Economy, Trade and Industry. Established ADDRESS Inc., which offers all-you-can-live for 40,000 yen per month, Co-Living services nationwide, and he was appointed a president.

In 2019, he assumed Executive Director of the Sharing Economy Association. In 2020, he was appointed as a chairman of the Sharing City Promotion Council.

About ADDRESS

Because I realized limitation in managing the Sharing Economy Association projects while working as an office worker, I decided to get involved as a consultative standpoint. However, the company I provided consultations got listed on a stock exchange and it became difficult to invest in a new business, so I decided to start my own business.

ADDRESS offers unlimited travel to homes we operated in nationwide, no initial costs, and all-you-can-live for 40,000 yen per month. You can dive in by yourself since the utilities costs are included in the monthly fee, and at all bases are equipped with Wi-Fi, furniture, bedding, cooking utensils, washing machines, amenities, etc..

The company consists of engineers who are responsible for technology, first-class architects, interior designers and user support staffs, and it stands out from typical real estate companies.

By local residents who work as "YAMORI" (managers) assuming hubs for members and rest of the residents, the members become fans of the community and YAMORI and re-visit the same area to meet them. One house guardian is in charge of one house. ADDRESS pays about 20,000 to 40,000 yen per month as a fee to YAMORI for the house operation and maintenance, but many people are working with the hope to share the attraction of the area with other people and want to become a contact point between others rather than for money.

We provide services based on the idea of utilizing vacant houses, instead of looking for potential piece of real estate in popular areas, so there are a few ADDRESS houses and buildings located in famous tourist destinations.

Live in Multiple Areas

Although increasing the number of people who want to settle in rural areas, the hurdles remain high because of concerns about work, schools, human relationships and locality.

They used to have only two options "city or rural area" when thinking about where to live, but I think at the present day, it is possible to "live in both city and rural area".

Under the influence of COVID-19, about half of Tokyo metropolitan area residents are interested in rural areas. Many people have come to want to urban work remotely while living in rural areas.

According to the survey by Ministry of Land, Infrastructure, Transport and Tourism, one in four people in their 20s are interested in rural relocation, and there are about 11 million people who are interested in living in two places. By 2030, the domestic multi-habitation market is expected to exceed 37.5 trillion yen.

The number of companies that make active use of teleworking have increased rapidly due to the COVID-19 disaster. The Maas market, the sharing economy market and the digital nomad population in Japan are also growing rapidly, and I think that about 10% of the population will be working at two or more locations in 10 years.

ADDRESS currently owns houses and buildings at approximately 90 locations and plans to have more than 100 locations in November 2020. Because it is a fixed amount service, when the number of members increases, the number of houses and buildings also increases, and the quality of service will improve (under the COVID-19 disaster, ADDRESS members are growing at a rate of 3-4 times a month). Compared to inns and hotels, the advantage of ADDRESS is likely to be increasing.

All ADDRESS houses and buildings can be viewed by accessing and logging in to the site. As the areas relatively close to the central Tokyo, such as Kita Kamakura, Zushi and Odawara, are popular, it is difficult to make a last minute reservations, but we utilize reviews and build a system that suggesting drift to little-known areas.

Facilities with hot springs, hotels, inns, etc. can also available for 40,000 yen per month. Although they are competitors, ADDRESS offers services to send customers to vacant rooms in accommodations with low occupancy rates and developing the business with them by coexisting.

It is possible for a company to become a corporate member as well as an individual member.

Possibilities in Rural Areas

Vacant houses have risks causing external diseconomies such as maintenance, necessary costs, anxiety about tenants, and deterioration in security situation. By lending vacant houses to ADDRESS, the owners can earn rent income and outsource management and members' identity checks, and expect to revitalize the economy and communities through population inflows from outside the region.

We always ask local construction firms to renovate houses and buildings to operate a system where they spend a lot of money in the area.

One house in Nichinan City, Miyazaki Prefecture, the first floor is a free space for interacting with multigenerational local residents. The local residents are in charge of managing keys and record bars in free spaces, and we have built the system that ADDRESS is welcomed by local people.

ADDRESS sees the whole town as a single inn called "Machiyado". We are thinking about regional revitalization in the direction of increasing the area value of the entire town. For example, members stay in a guest house but they also go to restaurants in the town for meals and day-use hot spring for bathing.

Instead of evaluating population of tourist, we evaluate the population of regional experience seeker and shift from the customer's point of view to the relationship of companions/mates. Our goal is to change public opinion to see communities as values, not as tourism resources. We believe it is important to properly design "what kind of people we want to come to", and to prevent the value of the entire town from rising too high.

40-50% of the member are young people in their 20s and 30s. There are many members who work for major IT companies, and quite a lot of members who cancel a contract for their home and spent multi-base life. That said, a small number of senior members in their 50s and above are also enrolled. The male-to-female ratio is 6:4.

Furthermore, we are trying to create a nationwide decentralized community which cities

and locals are working together to share the population. By becoming a member of ADDRESS, you can join a nationwide community. Whether online or offline, there is a thriving relationship between the house guardians and members.

To ensure the role of community sites, ADDRESS selects houses with 4DK or 4LDK or more rooms (for vacant or regular houses) for contract.

We also promote collaboration with various regions and companies. In cooperation with local governments that promote studying in other areas of Japan and mountain villages, and have partnership with JR East, JR West and ANA in an experimental study of fixed amount transfer.

At the End the Lecture

After the end of COVID-19 disaster, the way of working would be shifted to a remote focus. As you can see from the increase in ADDRESS members, we believe that office workers in their 20s and 30s will change their living styles as their commuting style changes.

In addition, ADDRESS belongs to the neighborhood association and the chamber of commerce and industry in order to provide the houses and buildings as a residence, and keep it in mind that we must do what the local businesses should do.

Since we ask local residents to manage our homes, we ask them to give us information on the local residents' human relationships and ask them to become the hubs. It is important to partner with people of conservative positions, as teaming up with people who stand out in the community sometimes opposing with their residents. In the local region, "whom you do with" is more important than "what to do".

The key to success the business in the local community is to be able to speak three language, "local residents' language", "government office's language", and "urban language". I think it's important to work with people who speak these three languages.