

China's Online Vacation Rental Startup Tujia Raises \$300 Million in Financing

The new funding round values the Airbnb-rival at \$1.5 billion



Luo Jun, co-founder and CEO of Tujia.com, speaks at a conference in China in 2016. PHOTO: YANG GUANYU/ZUMA PRESS

By

[Liza Lin](#)

Oct. 10, 2017 9:16 a.m. ET

SHANGHAI—Tujia.com, China's largest domestic rival to online home-rental platform Airbnb Inc., raised \$300 million in financing as it bulks up for battle with its U.S. competitor and looks to further tap big-spending Chinese tourists overseas.

The new funding round, which values Tujia at \$1.5 billion, was led by China's largest travel portal [Ctrip.com International](#) Ltd and investment firm All-Stars Investment Ltd. The home-sharing site plans to use the money to boost demand for its high-end properties at home and grow its listings in popular Chinese travel hot spots such as Japan, Taiwan and Thailand, said Jennifer Lee, its chief business officer.

The new funding comes as U.S. home rental website Airbnb has made a concerted effort to grow its presence in China this year. In March, the company picked a new Chinese name, promised to [double its investment](#) into the country and triple its workforce there in 2017.

Despite its strong global presence, Airbnb lags behind Tujia in China, where the latter works with both homeowners and property management companies.

Founded in 2011, Tujia is seeking to tap rising Chinese travel demand as incomes in the nation grow. China was the world's biggest outbound travel market last year with 135 million tourists, and the country's tourists

spent \$261 billion on tourism abroad, according to figures from the United Nations' World Tourism Organization.

Just like Airbnb, Tujia connects property owners with travelers looking for alternatives to hotels. Its website and mobile app features 650,000 properties in 345 Chinese cities and more than 1,000 overseas destinations including Paris, Seoul, and Phuket Island in Thailand.

Tujia earns revenue by collecting commission from homeowners at an average of about 10% of accommodation rates and offers travel packages to its customers online, Ms. Lee said. The average nightly room rate booked by Tujia's customers in the third quarter of this year was about 450 yuan (\$68), about the average cost of a four-star hotel room in China, although its most expensive booking recently was 15,000 yuan a night, she said.

Tujia was a winner during the consolidation of China's online travel startups last year, snapping up a smaller local rival in June 2016. It also tied up with larger online travel agencies such as Ctrip and Qunar to offer homestays.

Ctrip's Executive Chairman James Liang said the company made its investment in Tujia as Chinese consumers are warming toward such short-term alternative accommodation products. "The domestic e-accommodation sharing market resembles Airbnb and similar enterprises in its rapid growth, becoming in just a short time an essential part of the travel accommodation industry," he said in a statement Tuesday.

Other investors in Tujia's fundraising include investment firms Connecticut-based Glade Brook Capital and China Renaissance.

Write to Liza Lin at Liza.Lin@wsj.com