

April 13, 2023

New Vessel Technologies Franchise Aims to Address Multifamily Housing Needs

[By Laura Michaels](#)



Vessel Technologies, which uses prefabricated components to construct its apartment buildings, is developing a location in New London, Connecticut, as shown in this rendering. The company recently launched a franchise program to help drive its expansion.

Inspired by the technological innovation driving the next generation of electric vehicles and ambitious endeavors such as Elon Musk's rocket and satellite company SpaceX, Neil Rubler found himself rethinking his own industry, real estate. Specifically, advances in multifamily housing or, to Rubler's point, the lack thereof.

Evaluating a 20-year career in real estate development that's included urban and suburban housing, luxury homes and student housing, Rubler said he realized multifamily housing

development, especially for middle-income consumers, was more about rehabilitating existing housing stock than creating something new that everyday, working people can afford. If SpaceX can launch and reuse rockets, Rubler said he thought, “how can we not figure out how to build a one- or two-bedroom apartment that people can afford?”

With the founding of Vessel Technologies in 2017, Rubler, also Vessel’s CEO, is working to address that need by taking an “industrialized approach” to the construction of apartment buildings using prefabricated components. These components, such as walls, ceilings and floors, are built, packed and shipped to the construction site, where they’re assembled.

“We’re putting together a building in the way you think about a child putting together a model,” explained Rubler of how each piece is designed to fit together in a certain way.

Its designs incorporate sustainable—and inflammable—building materials, and will also feature the Vessel Operating System, or VOS. The companion software, said Rubler, monitors things such as water and electricity consumption, allows residents to control the temperature and lighting, and enables other smart-home technologies. “I think about an apartment building as a consumer product,” he said, another difference from traditional multifamily housing developments.

The company has a production facility in Pennsylvania, and in July 2022 its first apartment building, in Trenton, New Jersey, opened to residents. The six-unit, three-story Vessel was built on a previously vacant lot. The New York-based company has another building, this one with 30 units, under construction in New London, Connecticut, and another 15 locations are in the planning stages.

One-bedroom apartments in the New London building will have rental prices “in the vicinity of \$1,600 to \$1,700 a month,” said Rubler, a range attainable to people at 80 percent of the area’s median income. The goal, he continued, is for Vessel buildings to be affordable to firefighters, local teachers and others generally earning between \$60,000 and \$70,000 a year. This “missing middle” housing type is targeted at residents who don’t qualify for subsidized housing but often can’t afford market-rate rents.

The national median rent is now \$1,937, according to [Rent.com](https://www.rent.com)’s March 2023 Rent Report. That’s down from a peak last August of \$2,053.

Vessel Technologies recently filed its franchise disclosure document and is launching a franchise program with two investment models: a capital-light, lease-based model and a more capital-intensive ownership model. The aim, explained Rubler, is to offer local entrepreneurs an opportunity to have a career in real estate and bring personalized service back to rental communities.

There's been a "seismic shift" in the way apartment buildings are managed, he noted, from mom-and-pop owners to institutional operations. "Usually that's not amazing for the customer," he said, as residents "become a serial number in a computerized property management company."

Under the capital-light model, Vessel will develop the building and turn operations over to the franchisee. The investment cost is based on the number of units in the building, at \$10,000 per unit; so, a 30-unit Vessel building would have an initial investment cost of \$300,000. Under the capital-intensive ownership model, the franchisee secures the land, finances the project and gets a turnkey building from Vessel for \$150,000 to \$160,000 per unit.

Vessel brought on Gus Stamoutsos, who most recently served as executive vice president of development for Wyndham Worldwide, as director of franchise development. Stamoutsos said as he considered new roles in recent years he "hadn't got excited" about any of the opportunities.

"They were all the same," he said. And then he was introduced to Rubler. Vessel, Stamoutsos said, is "different than any other franchise approach that I've seen in any industry."

"We're excited to be trailblazers in this area," said Rubler.

https://www.franchisetimes.com/franchise_news/new-vessel-technologies-franchise-aims-to-address-multifamily-housing-needs/article_5fe019ac-da21-11ed-acd9-43b2202f3195.html