KEYDATA™

Report for Property Managers

U.S. Key Data Index

Q1 2026: Industry Performance Analysis

Comprehensive Analysis of Short-Term Rental Performance, Regional & Local Markets, and Strategic Outlook

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**Data as of October 2025, provided to VRMA by Key Data. VRMA membership does not guarantee increased business performance or results.*

SUMMARY

The latest U.S. short-term rental performance data points to a market that is stabilizing rather than accelerating as 2025 gives way to 2026. While year-over-year demand metrics remain slightly softer, particularly in booking windows and paid occupancy, pricing power has held firm, providing critical support to overall revenue performance.

Final fall results showed modest year-over-year declines in average booking window, but ADR growth across October through December helped offset demand softness, driving positive RevPAR gains to close out the year. This pricing resilience underscores disciplined rate management and sustained traveler willingness to pay higher nightly rates, even amid cautious booking behavior.

Looking ahead:

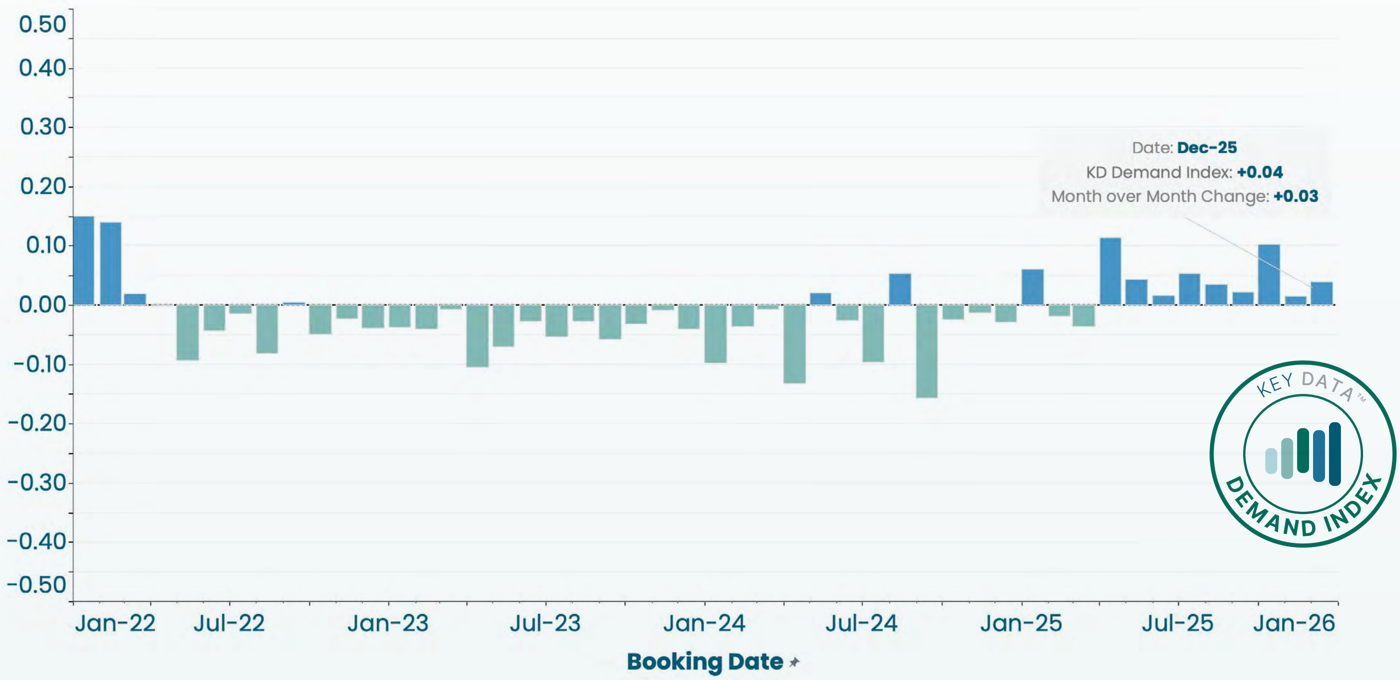
- Early 2026 data reflects continued pressure on occupancy and booking windows.
- ADR growth remains intact.
- This dynamic suggests that travelers remain engaged but deliberate, favoring shorter lead times and flexibility.

Overall, the U.S. market appears to be entering 2026 on steadier footing, supported by stable pricing, improving revenue efficiency, and a more balanced supply-demand environment.

Market Overview

Demand Performance Analysis

Demand Increases Late in the Year

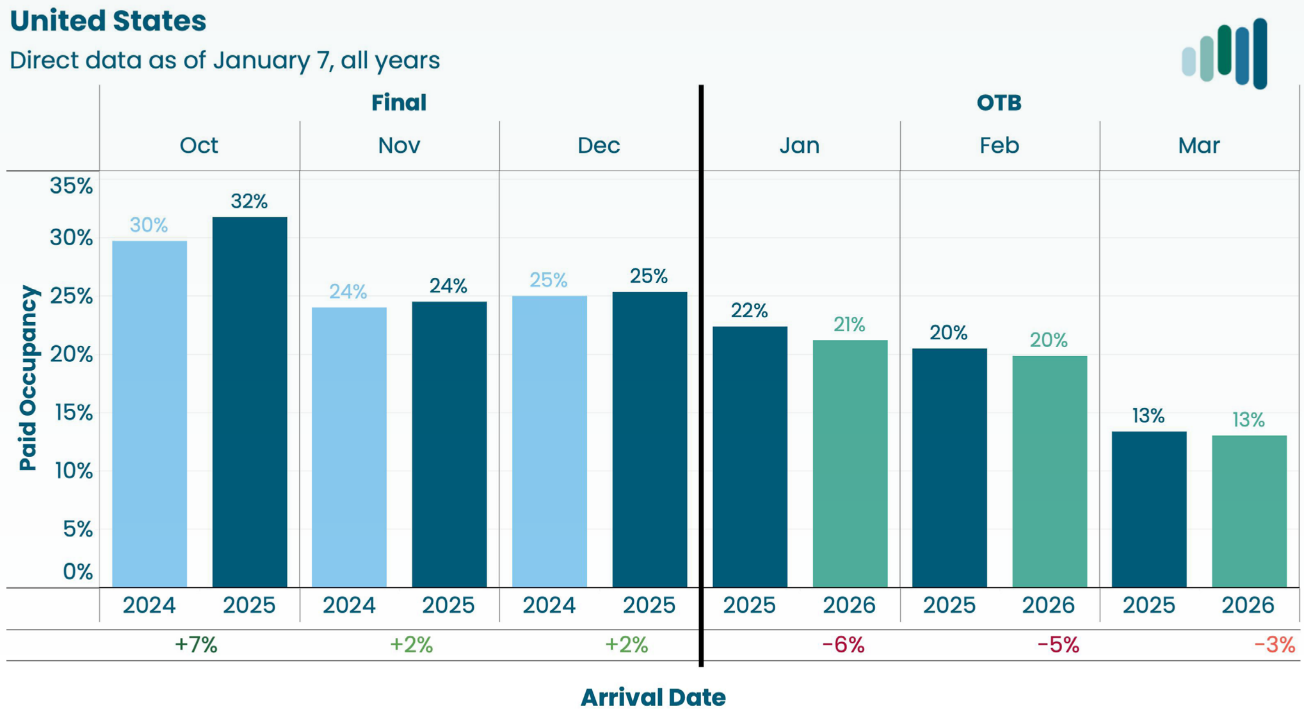


Key Data Demand Index*= year-over-year change in reservations per property made in a given period*

- In December 2025, the KeyData Demand Index increased to +0.04, reflecting a month-over-month gain of +0.03. This marks continued improvement following a prolonged period of subdued demand and reinforces the gradual recovery that has taken shape in the second half of 2025.
- After sustained negative readings through much of 2023 and 2024, recent months have shown a clear shift toward stabilization. While demand growth remains modest, the index's steady positive trend since mid-2025 suggests improving booking activity and a slow but measurable return of traveler confidence heading into the 2025–2026 booking cycle.

Occupancy Holds Late in the year, Softens Ahead

Paid Occupancy % = *Nights Sold / Total Nights*



Final Data

Paid occupancy showed a steady year-over-year improvement through the fall, reinforcing signs of late-season stabilization. October posted a notable gain (+7% YoY), while November and December each increased by +2%, indicating consistent traveler engagement through year-end despite broader demand caution. These gains suggest that while booking behavior remains conservative, conversion to paid stays strengthened as arrival dates approached.

On The Books Data

On-the-books paid occupancy for early 2026 reflects softer forward demand, with January down -6% YoY and February trailing by -5%. March shows a more moderate decline (-3%), suggesting some stabilization later in the quarter. Overall, the OTB data points to a cautious booking environment characterized by shorter lead times, as travelers delay commitment while remaining active closer to arrival.

Pricing Power Remains Intact

Average Daily Rate (ADR) = *Total Unit Revenue / Nights Sold*

Final Data

Average Daily Rate continued to strengthen through the end of 2025, underscoring effective rate discipline across the U.S. market. October ADR increased 2% year over year, followed by a 3% gain in November and a 2% increase in December. This consistent pricing growth through the fall months highlights operators' ability to maintain rate integrity despite modest demand softness, helping to support overall revenue performance.

On The Books Data

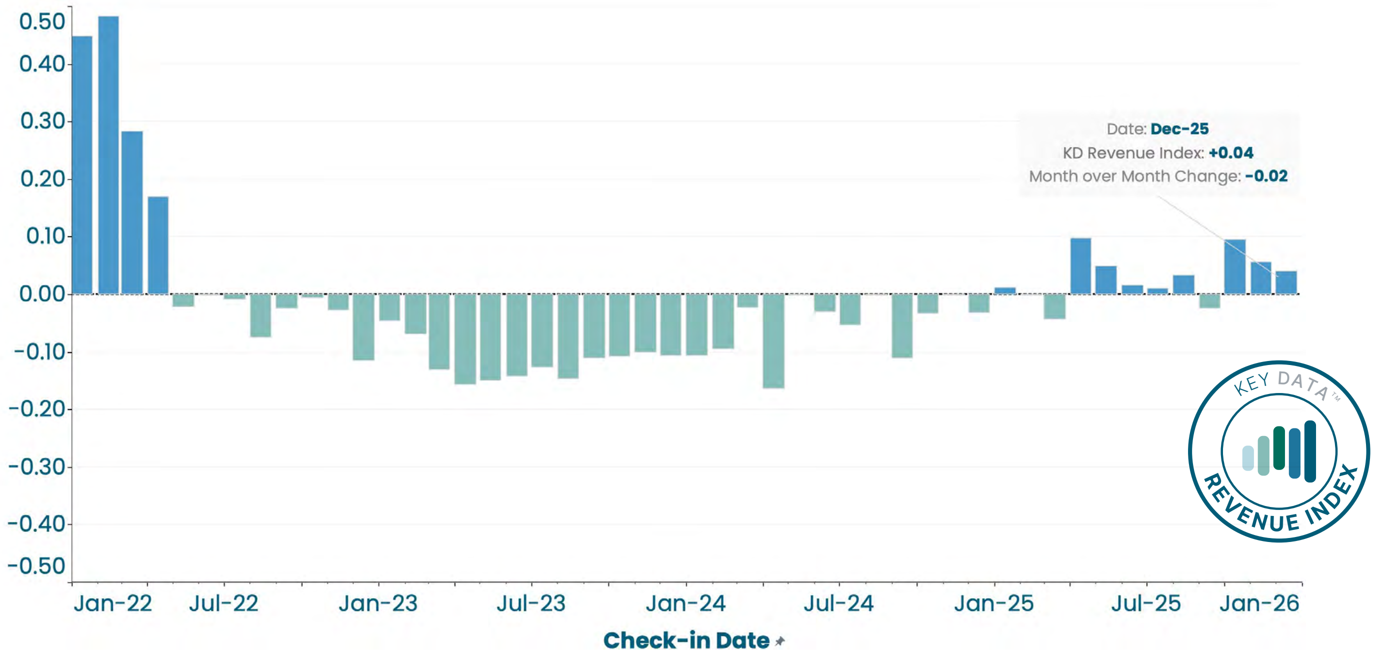
Forward-looking ADR trends remain firmly positive heading into early 2026. January is pacing +2% YoY, while February and March are both tracking stronger gains of +4%. These increases suggest continued confidence in pricing strategies, with operators prioritizing rate over volume as travelers book closer to arrival. The persistence of ADR growth indicates that pricing remains a key lever for revenue stability amid cautious demand patterns.

Revenue and Pricing Dynamics

Revenue Stabilizes as Pricing Holds

RevPAR = *Occupancy x ADR or Total Unit Revenue / Total Nights in a given period*

Key Data Revenue Index = *Year-over-year change in revenue per property collected in a given period*

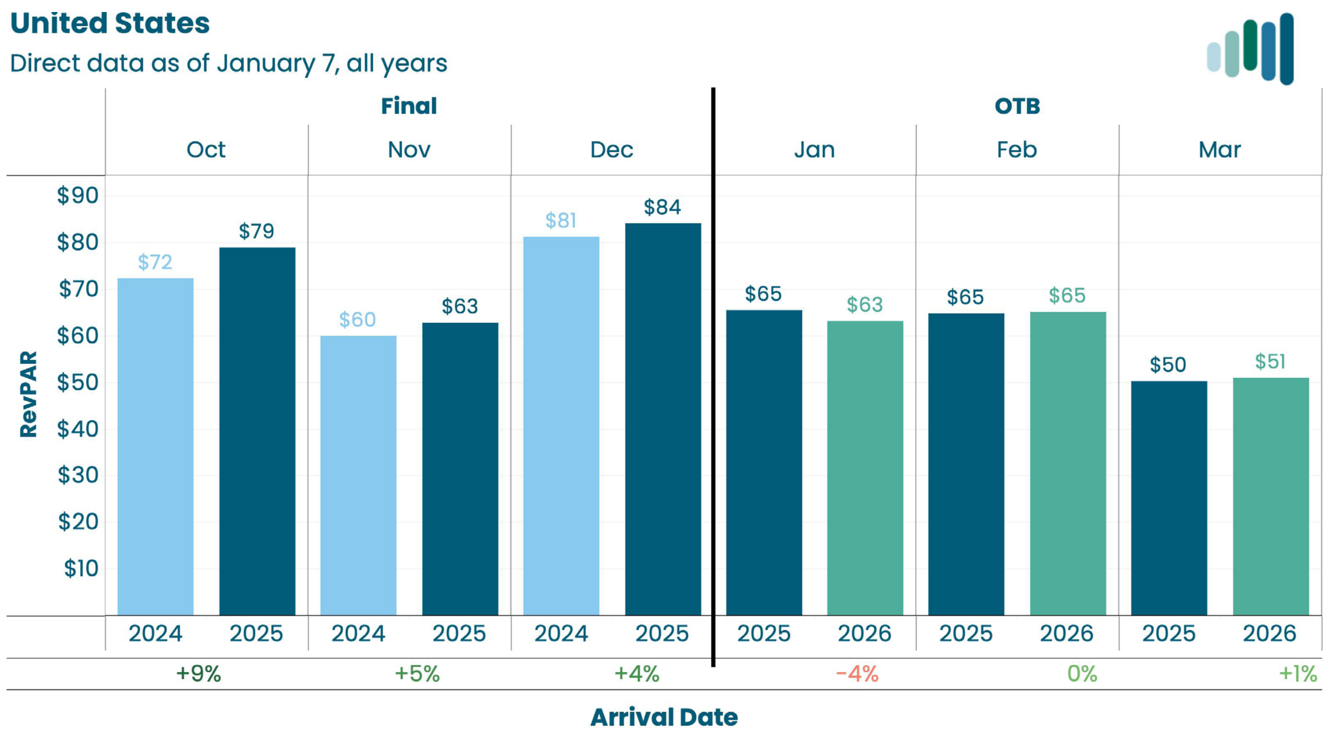


+0.04↑

December
2025

The KeyData Revenue Index closed December 2025 at +0.04, holding in positive territory despite a month-over-month decline of -0.02. This indicates that revenue conditions remain stable overall, even as growth moderated slightly at year-end.

Following extended revenue softness throughout 2023 and early 2024, the index has trended upward across much of 2025, supported by resilient pricing and improving late-stage demand. While short-term fluctuations persist, the sustained move into positive territory highlights improved revenue efficiency and suggests a more stable foundation for revenue performance entering 2026.



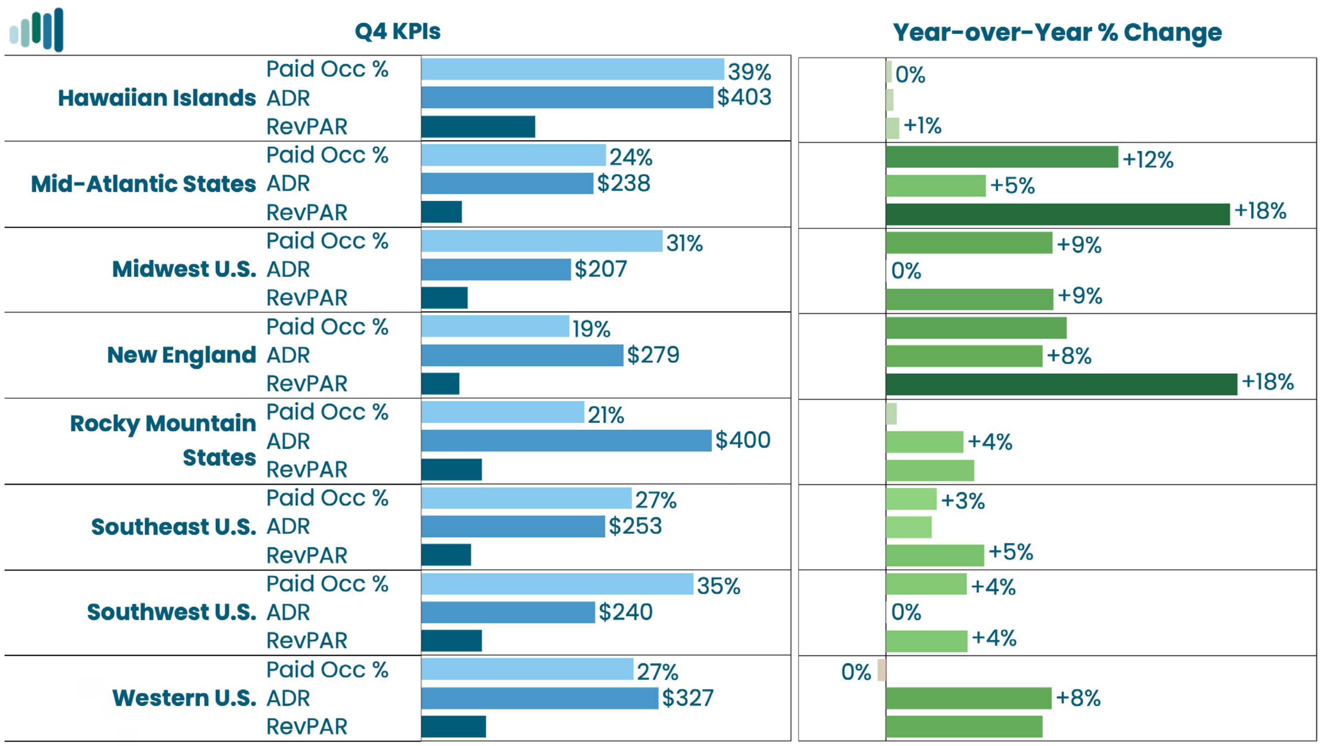
Final Data

RevPAR strengthened meaningfully in the final months of 2025, signaling improved revenue efficiency as the market moved through the shoulder season. October delivered a strong 9% YoY gain, followed by 5% in November and 4% in December. This late-year acceleration suggests that rate discipline and better conversion closer to arrival combined to lift overall revenue performance, even as demand remained measured.

On The Books Data

Forward RevPAR trends for early 2026 show a stabilizing trajectory. January is currently pacing -4% YoY, but February is flat (+0%), and March is edging into positive territory at +1%. While winter demand is still forming, the OTB trendline indicates strengthening revenue momentum heading into spring, with final pickup likely to determine the extent of upside.

U.S. Regional Short-Term Rental Performance



Hawaiian Islands

0% ↑
Paid Occupancy

1% ↑
ADR

1% ↑
RevPAR

Occupancy was flat year over year, while ADR increased slightly (+1%), keeping RevPAR stable. Performance remains primarily rate-supported amid steady demand.

Mid-Atlantic States

12% ↑
Paid Occupancy

5% ↑
ADR

18% ↑
RevPAR

The strongest regional performer, with paid occupancy up +12% and ADR rising +5%, driving an impressive +18% RevPAR gain on broad-based demand and pricing strength.

Midwest U.S.

9% ↑
Paid Occupancy

0% ↑
ADR

9% ↑
RevPAR

Occupancy climbed +9% while ADR held flat, resulting in a +9% RevPAR increase. Demand growth was the primary revenue driver.

New England

9% ↑
Paid Occupancy

8% ↑
ADR

18% ↑
RevPAR

Occupancy increased 9% while ADR increased +8%, lifting RevPAR by +18%. Strong late-year demand and disciplined pricing fueled the region's standout performance.

Rocky Mountain States

0% ↑
Paid Occupancy

4% ↑
ADR

4% ↑
RevPAR

Flat occupancy paired with +4% ADR growth produced a +4% RevPAR gain, reflecting rate-led revenue growth.

Southeast U.S.

3% ↑
Paid Occupancy

2% ↑
ADR

5% ↑
RevPAR

Balanced growth, with occupancy up +3% and ADR up +2%, drove a +5% increase in RevPAR.

Southwest U.S.

4% ↑
Paid Occupancy

0% ↑
ADR

4% ↑
RevPAR

Occupancy rose +4% while ADR remained flat, pushing RevPAR up +4% and signaling resilient demand.

Western U.S.

0%↑ Paid Occupancy

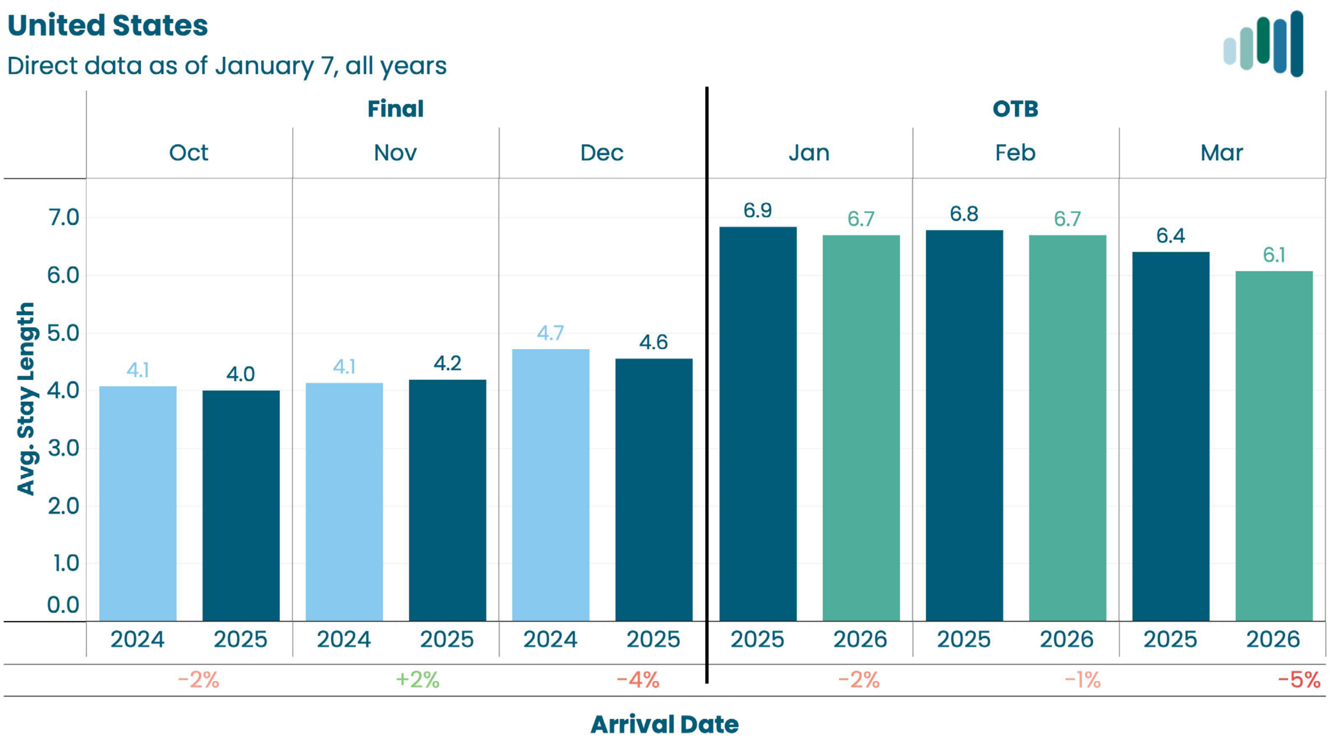
8%↑ ADR

8%↑ RevPAR

Flat occupancy and strong ADR growth (+8%) lifted RevPAR by +8%, underscoring continued pricing power.

Guest Behavior Trends

Shorter Stays Signal Cautious Travel Behavior



Average Booking Window = (Arrival Date - Booked Date) / # of Guest Check-ins

Final Data

Average stay length trended modestly shorter toward the end of the year, reinforcing signs of more conservative travel behavior. October declined -2% YoY, followed by a 2% increase in November and a 4% dip in December. These relatively small shifts indicate that while demand remained intact, travelers increasingly favored shorter trips over extended stays as the year closed.

On The Books Data

Early 2026 on-the-books data suggests this pattern is continuing. January stays are pacing 2% shorter, while February and March are tracking 1% and 5% shorter, respectively. The forward outlook points to continued preference for shorter stays, particularly outside peak travel periods, as travelers maintain flexibility and limit trip duration amid ongoing economic and planning uncertainty.

Shorter Booking Windows Continue as Travelers Book Closer to Arrival

Final Data

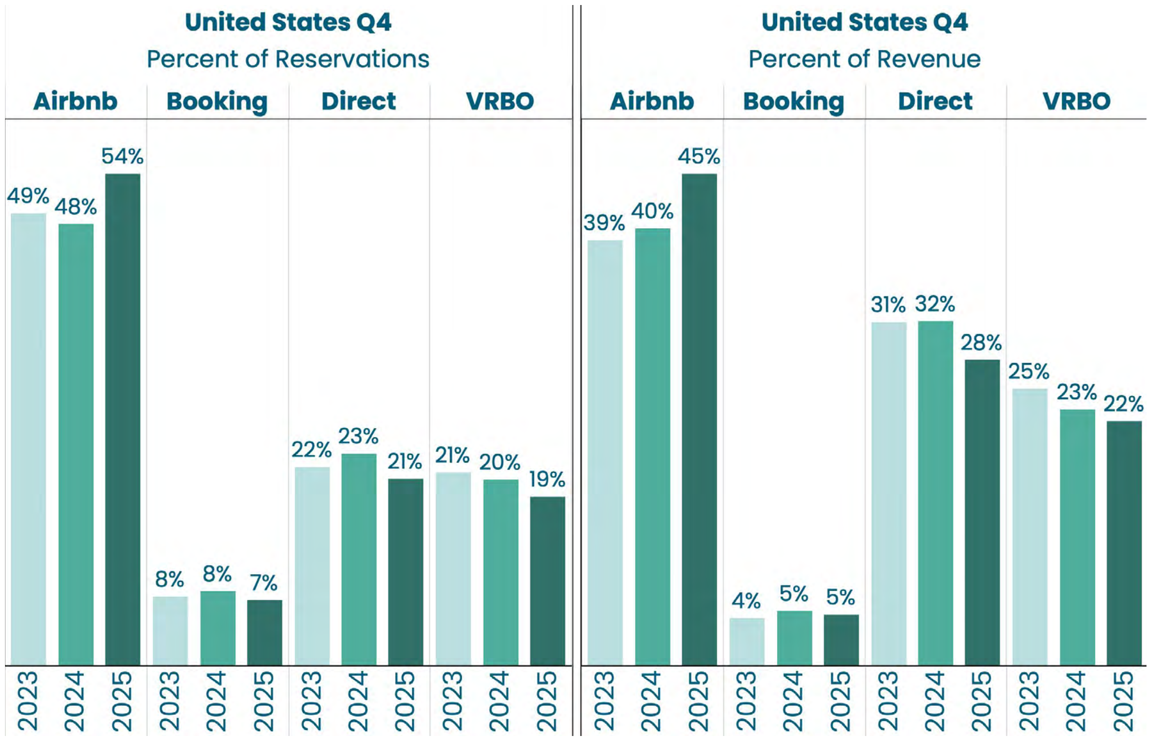
Average booking window remained modestly shorter year over year through the final months of 2025. October declined by 2%, followed by a 1% decrease in November and a 2% dip in December. These small but consistent declines point to continued late-stage booking behavior, with travelers delaying commitments while remaining active closer to arrival.

On The Books Data

On-the-books trends for early 2026 reinforce this pattern. January is pacing flat year over year, while February and March are tracking declines of -3% and -4%, respectively. The forward outlook suggests booking windows remain compressed, particularly later in the quarter, as travelers prioritize flexibility and make decisions closer to travel dates.

Distribution Channel Analysis

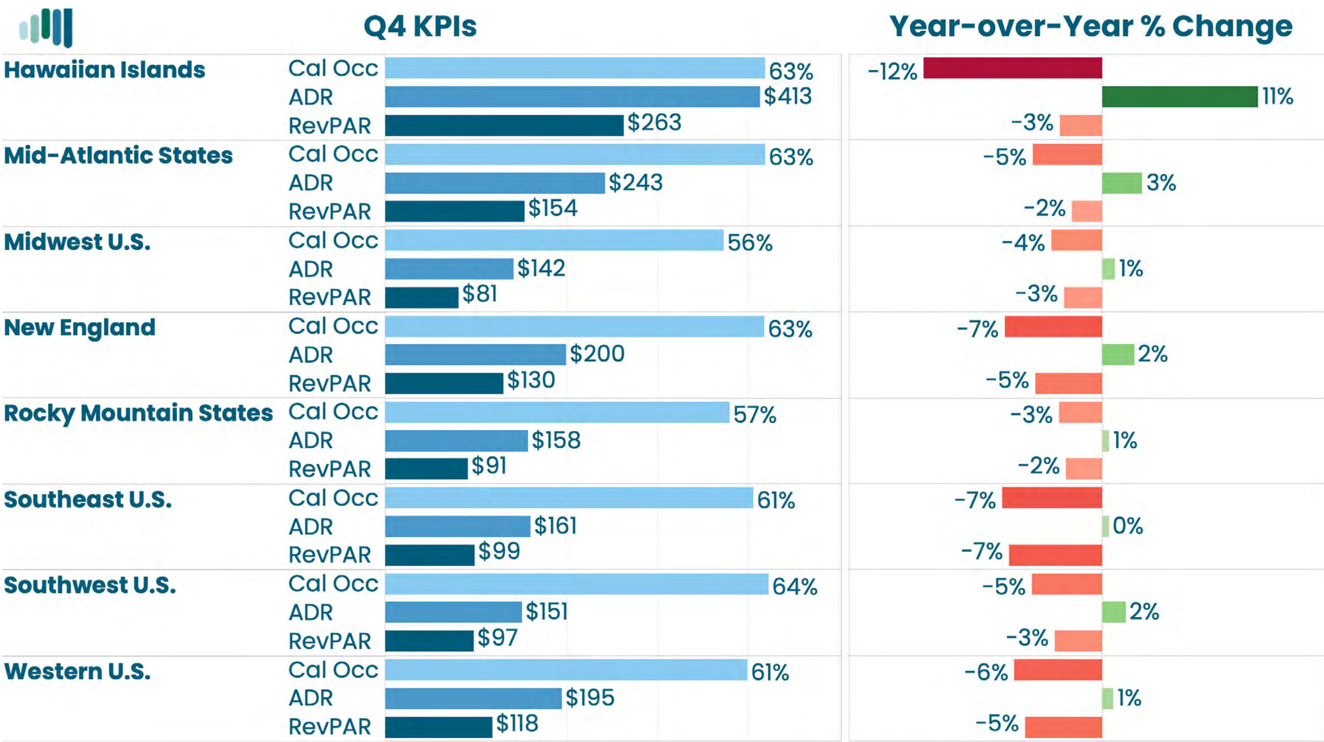
United States Q4 Booking Sources



- Airbnb continued to gain share in Q4 2025, accounting for 54% of reservations and 45% of total revenue. The platform's growing dominance aligns with ongoing booking window compression, as travelers increasingly rely on marketplaces that offer speed, flexibility, and broad inventory when booking closer to arrival.
- Direct bookings declined modestly to 21% of reservations and 28% of revenue. As booking windows shorten, direct channels face greater challenges capturing last-minute demand, particularly without the visibility and immediacy provided by OTAs, contributing to share erosion despite remaining a meaningful revenue driver.
- VRBO's share fell further to 19% of reservations and 22% of revenue. The continued decline suggests that compressed booking behavior is disproportionately benefiting Airbnb, while other channels struggle to compete for late-stage traveler demand.

Hotel Market Comparison

U.S. Hotel Performance



Hawaiian Islands

12% ↓ Paid Occupancy

11% ↑ ADR

3% ↓ RevPAR

Occupancy declined sharply (-12%) while ADR increased (+11%), resulting in a net RevPAR decline of -3%. Strong pricing partially offset demand losses, but not enough to prevent revenue erosion.

Mid-Atlantic States

5% ↓
Paid Occupancy

3% ↑
ADR

2% ↓
RevPAR

Occupancy fell -5% and ADR increased +3%, leading to a modest -2% decline in RevPAR. Rate gains helped cushion the impact of softer demand.

Midwest U.S.

4% ↓
Paid Occupancy

1% ↑
ADR

3% ↓
RevPAR

Occupancy decreased -4% while ADR edged up +1%, producing a -3% RevPAR decline. The region remained relatively stable, with pricing mitigating deeper revenue losses.

New England

7% ↓
Paid Occupancy

2% ↑
ADR

5% ↓
RevPAR

A -7% drop in occupancy paired with a +2% increase in ADR resulted in a -5% RevPAR decline. Demand softness outweighed modest pricing gains.

Rocky Mountain States

3%↓ Paid Occupancy

1%↑ ADR

2%↓ RevPAR

Occupancy fell -3% and ADR increased +1%, leading to a -2% RevPAR decline. Revenue performance softened, though pricing discipline limited downside risk.

Southeast U.S

7%↓ Paid Occupancy

0%↑ ADR

7%↓ RevPAR

Both occupancy and RevPAR declined -7%, while ADR was flat year over year. Weaker demand was the primary driver of revenue contraction.

Southwest U.S.

5%↓ Paid Occupancy

2%↑ ADR

3%↓ RevPAR

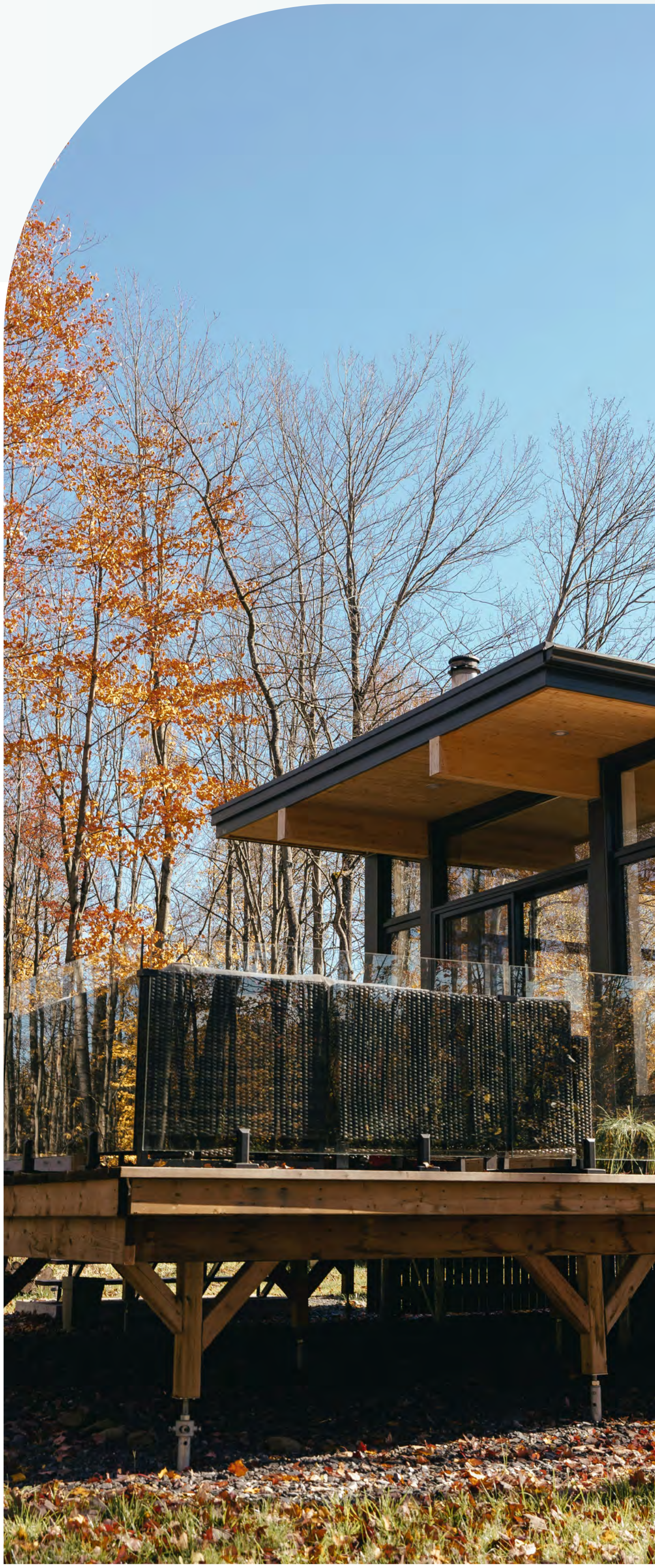
Occupancy dropped -5% and ADR rose +2%, resulting in a -3% RevPAR decline. Rate growth provided some offset, but demand softness persisted.

Western U.S.

6% ↓	1% ↑	5% ↓
Paid Occupancy	ADR	RevPAR

Occupancy declined -6% while ADR increased +1%, leading to a -5% RevPAR decrease. Continued demand pressure outweighed incremental pricing gains.

Insights for Property Managers



The data heading into 2026 reinforces a clear theme: revenue performance is increasingly driven by pricing discipline and late-stage demand capture. Booking windows and average stay length remain compressed, signaling that travelers are waiting longer to commit and opting for shorter trips. Property managers should expect continued volatility in forward-looking demand indicators, with final pickup playing a critical role in determining monthly outcomes.

Despite softer occupancy trends in many regions, ADR growth has remained resilient, supporting RevPAR and offsetting demand pressure. This underscores the importance of dynamic pricing strategies that prioritize rate integrity over aggressive discounting. Markets that maintained or grew ADR generally outperformed those relying on volume alone, particularly in regions where occupancy declines were unavoidable.

Channel performance further reflects these behavioral shifts. Airbnb's growing share of reservations aligns closely with shorter booking windows, as travelers gravitate toward platforms that offer speed, flexibility, and broad inventory when booking closer to arrival. Direct bookings, while still a key revenue contributor, face greater challenges capturing last-minute demand, highlighting the need for stronger remarketing, loyalty incentives, and streamlined direct booking experiences.

Regional results remain uneven, reinforcing the need for localized strategy. High-performing regions combined modest pricing gains with stable demand, while softer markets struggled to overcome occupancy declines even with ADR increases. Property managers should continue to benchmark performance at the regional and submarket level, adjusting pricing, minimum stay rules, and channel mix accordingly.

Looking ahead, success will depend on flexibility and execution. Shorter booking windows, steady ADR growth, and cautious traveler behavior suggest that operators who monitor pace closely, optimize late-stage pricing, and maintain visibility across high-performing channels will be best positioned to capture demand and protect revenue in the months ahead.

Glossary

Calendar Occupancy %

Formula: (Nights Sold + Owner Nights + Hold Nights) / Total Nights

Definition: Percentage of all nights in the calendar year (including blocked and unavailable nights) that were booked. This metric reflects overall utilisation of the property's calendar, incorporating both paid demand and owner/maintenance blocks.

Paid Occupancy %

Formula: Nights Sold / Total Nights

Definition: Percentage of available nights that were booked. A core measure of demand and property utilisation.

ADR (Average Daily Rate)

Formula: Total Unit Revenue / Nights Sold

Definition: Average income earned per sold night. Indicates pricing strength and rate management effectiveness.

RevPAR (Revenue per Available 'Rental' [or 'Room' for Hotels])

Formula: Occupancy x ADR or Total Unit Revenue / Total Nights

Definition: Blends occupancy and pricing to assess revenue efficiency across all available nights.

Average Length of Stay (ALOS)

Formula: Total Nights Sold / # of Guest Check-ins

Definition: Shows the average duration of guest stays. Helps assess trip type and market behaviour.

Average Booking Window (ABW)

Formula:(Arrival Date - Booked Date) / # of Guest Check-ins

Definition:Average number of days between booking and arrival. A leading indicator of guest planning behaviour.

Key Data Demand Index

Formula: Reservations per property (year-over-year indexed)

Definition: Tracks demand strength across properties. Positive index growth signals higher reservation activity.

Key Data Revenue Index

Formula: Year-over-year revenue per property (indexed)

Definition: Measures changes in revenue performance per unit over time.

Direct Bookings

Definition: Bookings made directly through a manager's own channels (e.g., website). Typically yield longer stays, higher ADR, and more lead time.

OTA (Online Travel Agency)

Examples: Airbnb, Vrbo, Booking.com

Definition: Third-party platforms facilitating short-term rental bookings. Useful for guest acquisition but include commission costs.

Orphan Nights

Definition: Single nights stranded between two bookings that are hard to fill due to stay restrictions or unattractive timing.

Pacing / On the Books (OTB)

Definition: A performance comparison between future bookings and prior-year benchmarks. Helps forecast trends and identify early signals.

Defined Regions

West:
Oregon, Alaska, California, Washington, and Nevada

Rocky Mountains:
Montana, Wyoming, Colorado, Idaho, and Utah

Southwest:
New Mexico, Oklahoma, Texas, and Arizona

Midwest:
Montana, Iowa, Indiana, Illinois, South Dakota, Minnesota, Ohio, Kansas, North Dakota, Wisconsin, Nebraska, and Michigan

Southeast:
North Carolina, West Virginia, Mississippi, Tennessee, Kentucky, Louisiana, Georgia, Florida, Alabama, Virginia, Arkansas, and South Carolina

Mid-Atlantic:
New York, New Jersey, Delaware, Maryland, and Pennsylvania

New England:
Vermont, Rhode Island, Maine, Massachusetts, Connecticut, and New Hampshire

Hawaiian Islands:
Hawaii

Ready to Benchmark Your Performance?

The Short-term rental market is more complex than ever. Are you maximizing your revenue potential compared to your competitors?

Get Personalised Market Intelligence

Our team provides customised analysis tailored to your portfolio:

- Custom competitive benchmarking reports
- Revenue optimization recommendations
- Market opportunity identification
- Strategic guidance from industry experts

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Don't let market volatility catch you unprepared.