KEYDATA™

Vacation Rental Industry Outlook 2025

Next Year's Trends Anticipated By Short-Term Rental Professionals

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Methodology

The Vacation Rental Industry Outlook survey was distributed online to Key Data's professional property manager clients throughout the U.S. The survey consisted of twelve multiple-choice and multiple-selection questions. To provide insights into demographic and regional impact, each respondent's name, email, location, and property inventory size were also collected.

Key Data received 203 unique responses from property management professionals representing 52,000+ properties across the United States. The final sample represents a variety of regions, company sizes, and property inventory classifications.

203

Respondents represent:

CEOs, Revenue Managers, Marketing Professionals, General Managers, Owners, and more.

52k+

Properties

124

Markets

29

States

Definitions

To provide a deeper understanding of developing trends anticipated by property managers, the responses will be broken down by region and property management company size.

Regional Breakdown

For the purposes of this survey, the regions were defined by the following states.

West:	Oregon, Alaska, California, Washington, or Nevada
Rocky Mountains:	Montana, Wyoming, Colorado, Idaho, or Utah
Southwest:	New Mexico, Oklahoma, Texas, or Arizona
Midwest:	Montana, Iowa, Indiana, Illinois, South Dakota, Minnesota, Ohio, Kansas, North Dakota, Wisconsin, Nebraska, or Michigan
Southeast:	North Carolina, West Virginia, Mississippi, Tennessee, Kentucky, Louisiana, Georgia, Florida, Alabama, Virginia, Arkansas, or South Carolina
Mid-Atlantic:	New York, Delaware, Maryland, or Pennsylvania
New England:	Vermont, Rhode Island, Maine, Massachusetts, Connecticut, or New Hampshire
Hawaiian Islands:	Hawaii

Company Size Breakdown

For the purposes of this survey, the property management company size was defined as the following.

Extra Small: 0-29 units

Small: 30- 99 units

Medium: 100-249 units

Large: 250- 449 units

Extra Large: 500+ units

Key Insights

The majority of property managers across the United States have a positive outlook for growth in 2025. Property managers expect a modest level of growth in both revenue and occupancy rates over the next twelve months. However, they also anticipate several challenges to accompany this growth.

The primary challenge expected from property managers across the United States was an economic slowdown or decreased demand, with 89% of all respondents including it as a concern. Other primary concerns included an increase in market competition and incorrect or suboptimal pricing.

Property managers believe they have the power to address these concerns. Nearly half of the respondents said that better owner retention and communication strategies would positively impact revenue growth. Setting better or more optimal rates was cited by nearly three-quarters of responses as positively impacting the ability to achieve growth objectives. Property managers plan to expand their businesses by adding new units to their property inventory and increasing their marketing in the coming year.

The most important KPIs for property managers were ranked as ADR (Average Daily Rate), APO (Adjusted Paid Occupancy), and RevPAR. Metrics are being monitored along with pricing, where 83% of property managers report changing prices at least once a week.

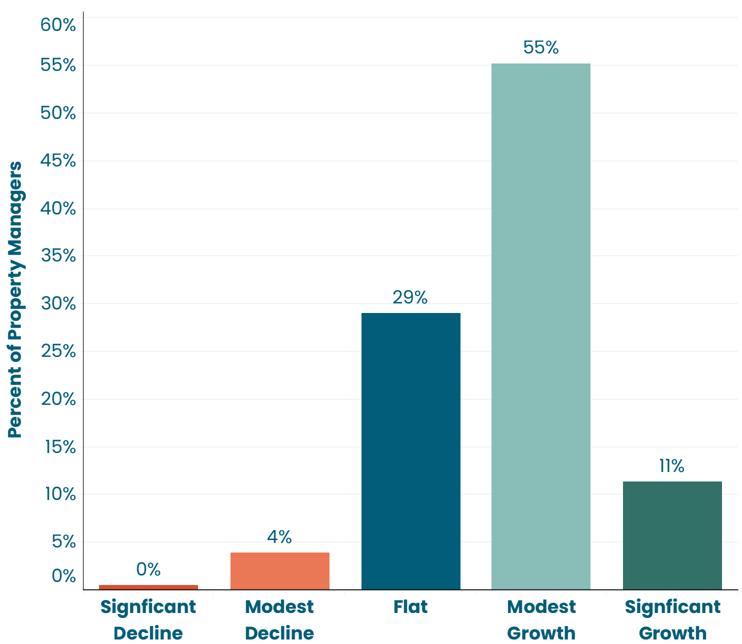
Different trends emerge among smaller and larger property managers regarding expectations and plans for next year, from adding technology to anticipated growth. Regions across the United States have distinct priorities and outlooks when it comes to competition, expanding inventory, and even anticipated rates. See how these trends break down on a deeper level in the Questionnaire Breakdown section.

Which statement best describes your revenue growth expectations over the next 12 months?

55% of property managers expect modest revenue growth

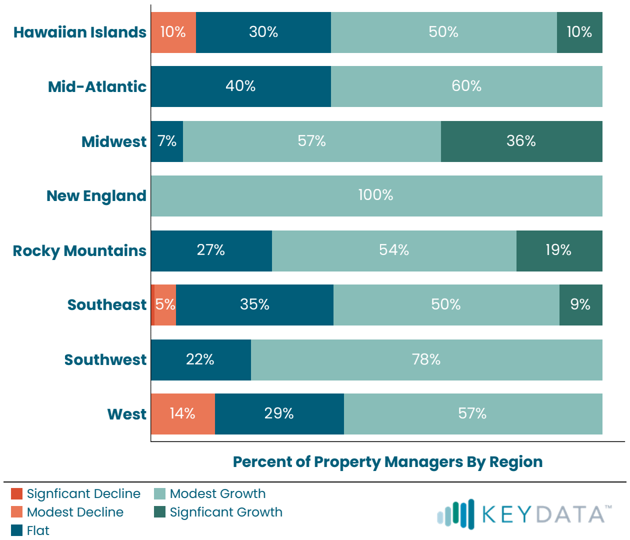
Property managers have optimistic expectations for revenue growth over the next twelve months. Two-thirds of vacation rental property managers expect some revenue growth next year. Over half of the property managers surveyed anticipate modest growth in the next twelve months, while 11% project significant growth.

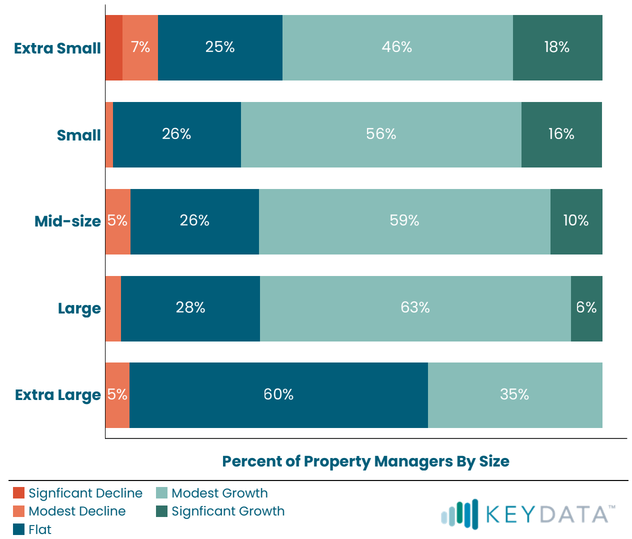
While 4% of property managers anticipate a modest decline in revenue growth, no respondents anticipate a significant decline in growth. 29% of respondents expect revenue growth to remain flat over the next twelve months.



"The average annual revenue for vacation rentals in the United States declined year-over-year in both 2023 and 2024 due to declining prices and occupancy rates. Property managers expect the tide to turn next year, with many anticipating higher per-property revenues in 2025 than in 2024. After many quarters of declining performance, revenue growth would spark a collective sigh of relief."

Melanie Brown
Exec. Director of Data Analytics
Key Data





Regional Breakdown

Location seems to have a large impact on the outlook for revenue growth. 36% of property managers in the Midwest expect significant revenue growth, while only 9% in the Southeast predict the same. Property managers in the Western United States are less optimistic, with 14% expecting a modest decline in revenue and 0% anticipating a significant growth. On the other hand, 100% of New England property managers anticipate modest growth in their revenue.

Company Size Breakdown

Extra Large property managers have a more pessimistic view of revenue performance than Small, Extra Small, and Mid-size property managers when it comes to revenue growth projections.

While 24%-28% of Extra Small to Large property managers believe revenue will stay flat, 60% of Extra Large believe the same. No Extra Large believe there will be significant revenue growth. However, 6% of Large, 10% of Mid-size, 16% of Small, and 17% of Extra Small anticipate significant growth in the coming twelve months. 3% of Extra Small property managers believe there will be a significant decline in revenue, compared to 0% of other subsets.

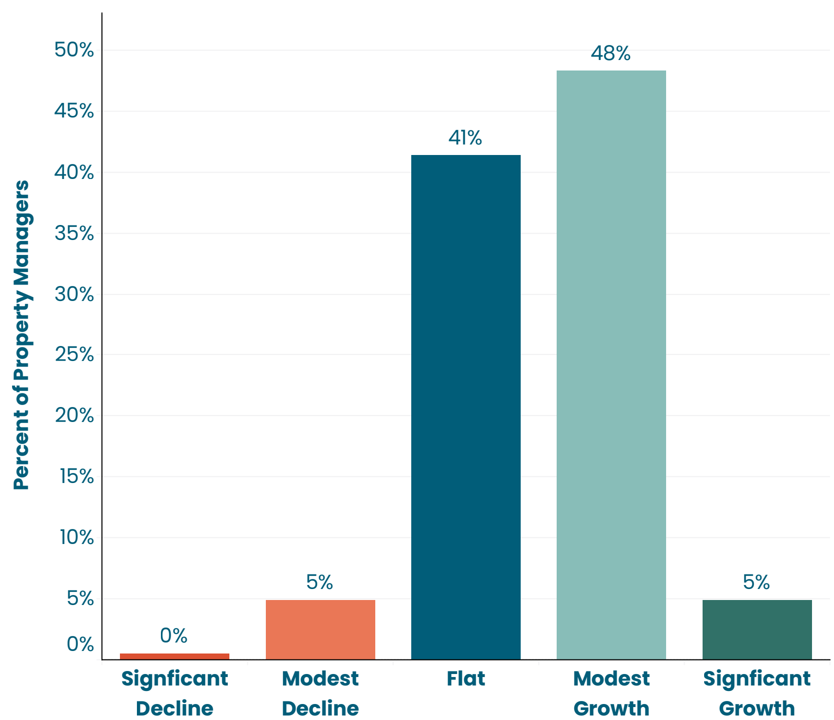
DATA
PRO TIP

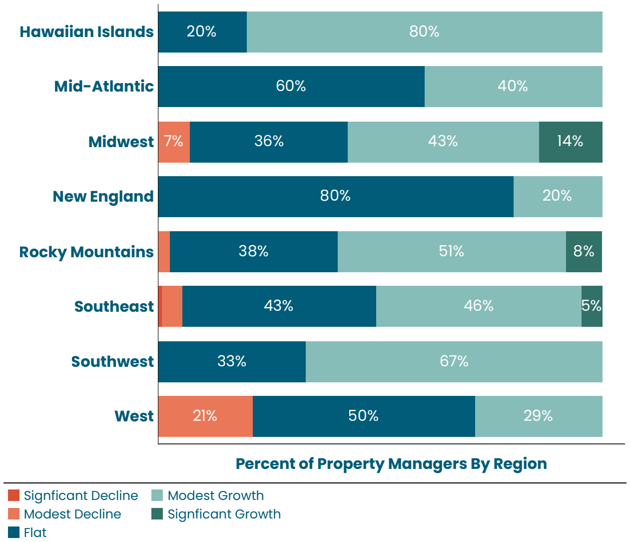
Track your current revenue growth year-over-year by utilizing the Pacing Detail report inside your Key Data Dashboard. Then, track your performance in comparison to the local market by utilizing your Benchmarking report. This information will allow you to set realistic expectations for revenue growth.

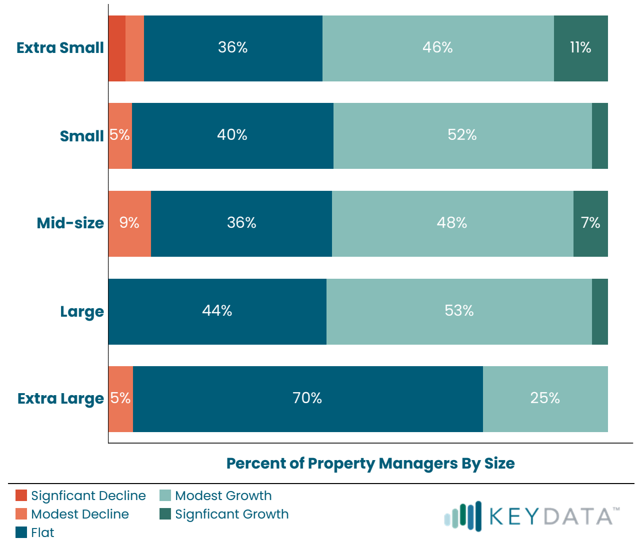
Which statement best describes your expectations about occupancy across your portfolio over the next 12 months?

Larger property managers have a more pessimistic expectation for occupancy growth than smaller property managers

As supply has increased and demand has decreased, occupancy has declined over the past couple of years. The adjusted paid occupancy rate from January through August 2024 was 47%, down from 50% for the same period in 2023 and 54% in 2022. However, it appears that property managers believe we are headed back to typical occupancy figures. The vast majority, 89% of property managers, anticipate occupancy to remain flat or increase modestly in the coming year. No property managers surveyed anticipate a significant decline in occupancy.







Regional Breakdown

The Midwest region has an optimistic view of occupancy growth in 2025. Rural and affordable markets have performed the best on a year-over-year basis in 2024, driving growth for the Midwest. 50% or more of property managers from the West (50%), Mid-Atlantic (60%), and New England (80%) expect occupancy to remain flat, compared to 43% in the Southeast, and 38% in the Rocky Mountains and 36% Midwest. Meanwhile, 80% of property managers in the Hawaiian Islands and 67% in the Southwest expect modest growth.

Company Size Breakdown

Extra Large property managers do not expect the same level of growth that the other subsets anticipate. Almost half of Extra Small and Mid-Size property managers and over 50% of Small and Large property managers expected modest growth in the coming year. Meanwhile, only 25% of Extra Large property managers anticipated the same growth. 70% of Extra Large property managers indicated their belief that occupancy will remain flat, compared to 44% Large, 36% Mid-sized, 40% Small, and 36% Extra Small.

DATA
PRO TIP

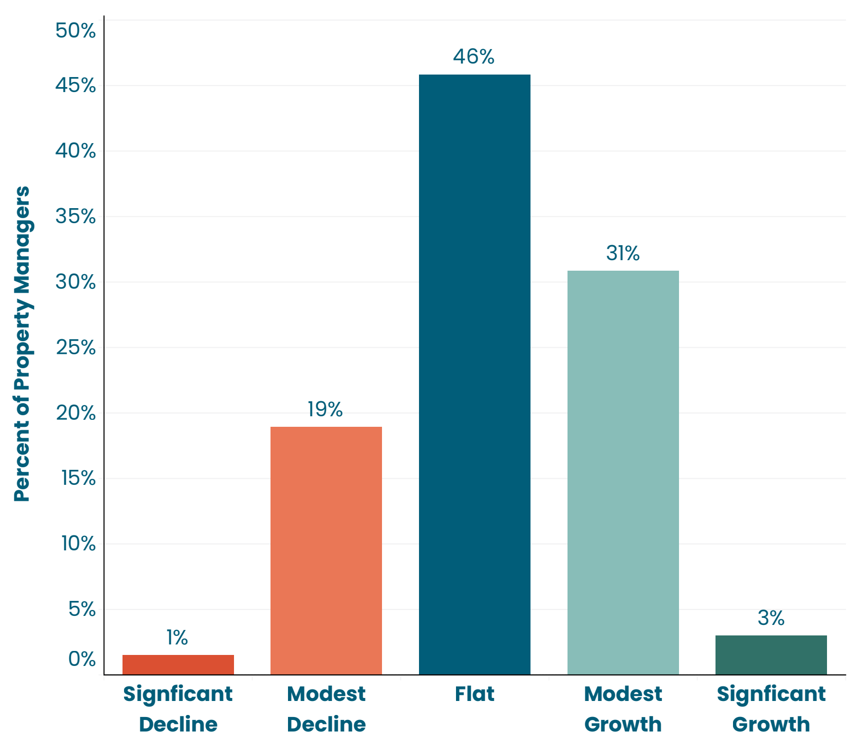
When anticipating growing occupancy rates, it's important to check minimum nightly stay requirements as well as nightly rates. High occupancy rates are good, but if they become too high, it could be a sign that you're leaving money on the table with rates being too low. Because of this, it's important to monitor not just occupancy, but also dips in ADR (Average Daily Rate) or RevPAR (Revenue per Available Rental).

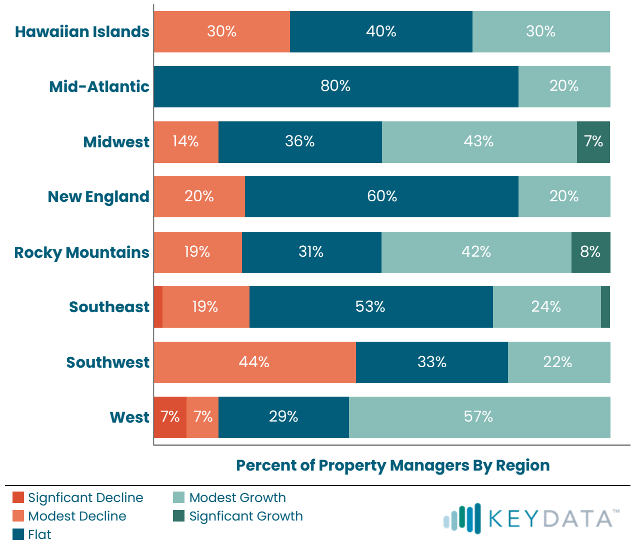
Which statement best describes your expectations about rates across your portfolio over the next 12 months?

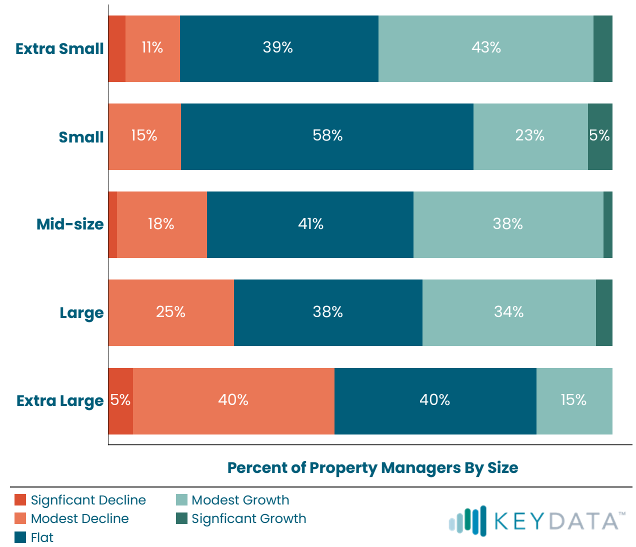
Most property managers do not anticipate a significant change in rates in the coming year

From January 2024 through August 2024, the United States average daily rate was $321, even with 2023 and down 6% from 2022. Managers have had to lower their prices due to increased competition and declining occupancy.

Nearly half of respondents believe that rates will stay flat in the coming year. 31% of property managers expect modest growth, while 19% expect a modest decline. Less than 5% of property managers anticipate significant growth or decline in the coming year.







Regional Breakdown

Overall, Southwest property managers have the most pessimistic view about rates, with 44% expecting a modest decline. On the other hand, 80% of Mid-Atlantic property managers believe rates will stay flat, with the remaining 20% expecting modest growth.

Property managers in the West have a divided view of expectations. 57% of property managers in the West region expect modest growth, more than any other region. However, 7% anticipate a significant decline, also more than any other religion.

Company Size Breakdown

Larger property managers are more likely to expect a decline in rates in the next twelve months. Nearly half of Extra large and one-quarter of large property managers anticipate some form of decline in rates. Meanwhile, 58% of Small property managers believe rates will stay flat and 41% of Extra Small property managers believe there will be modest growth in rates; the Largest percentage of any group.

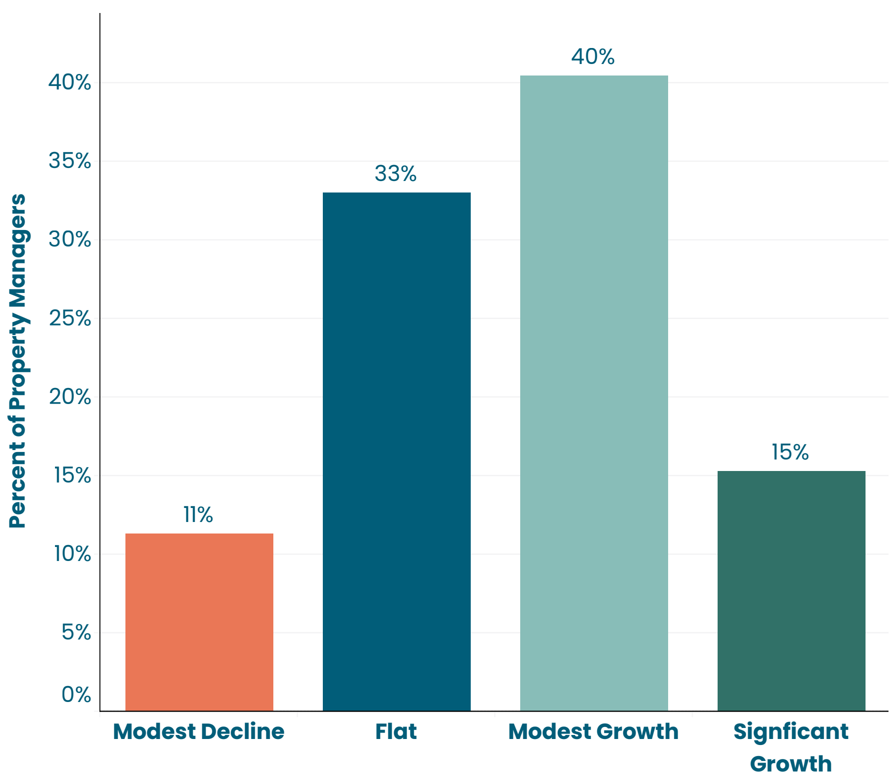
DATA
PRO TIP

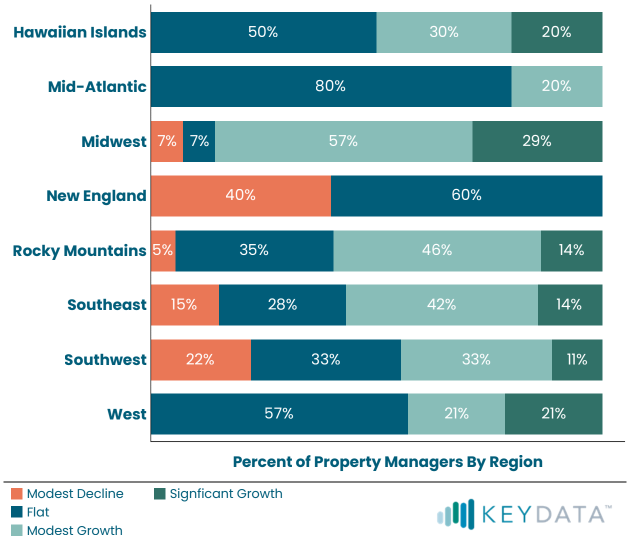
Setting prices for a portfolio of diverse properties is difficult. Utilize Key Data's unit detail and benchmarking reports to assess how individual properties are performing compared to last year and the market. Keep a close eye on forward-looking pacing reports so you can adjust prices before it's too late.

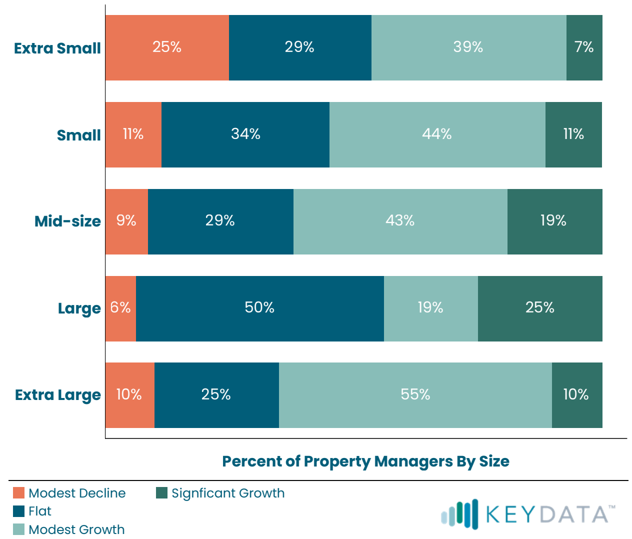
What are your expectations about the level of competition for guests in your market over the next 12 months?

55% of property managers expect an increase in competition

Due to large increases in vacation rental inventory in the US over the last few years, managers have dealt with increased competition. With more supply, operators have to work harder to attract guests at competitive rates and keep their homeowners happy. The trend is expected to continue, with 55% of managers expecting increased competition in 2025. Only 11% of property managers expected a modest decline in competition, with 0% anticipating a significant decrease. One-third expect competition to remain steady. However, over half of property managers (55%) expect a modest or significant increase in competition.







Regional Breakdown

New England property managers have a notably different view of competition than other regions, with 40% anticipating a modest decline in competition, compared to less than 10% in the Rocky Mountains and Midwest, 15% in the Southeast, and 22% in the Southwest. 0% in the Hawaiian Islands, Mid-Atlantic, and West regions anticipated any decline.

Conversely, the Midwest anticipates more competition increases than any other region. Only 7% of the Midwest respondents expect competition to remain flat, compared to 50-60% in the Hawaiian Islands, New England, and West, and 80% in the Mid-Atlantic. Meanwhile, 29% of property managers in the Midwest expect significantly more competition, the highest percentage of any region.

Company Size Breakdown

Large property managers were more likely to anticipate a significant growth in competition. 50% of Large property managers expect competition to remain flat, while 25% of Extra Large expect the same. The inverse is true for moderately more competition; 55% of Extra Large compared to 19% of Large managers anticipated a modest growth in competition.

One-quarter of Extra Small property managers expect a modest decline in competition and 29% expect competition to remain flat, a notable difference from the 55% of property managers overall who anticipate an increase in competition. Smaller property managers gently expect less competition than larger property managers.

DATA PRO TIP

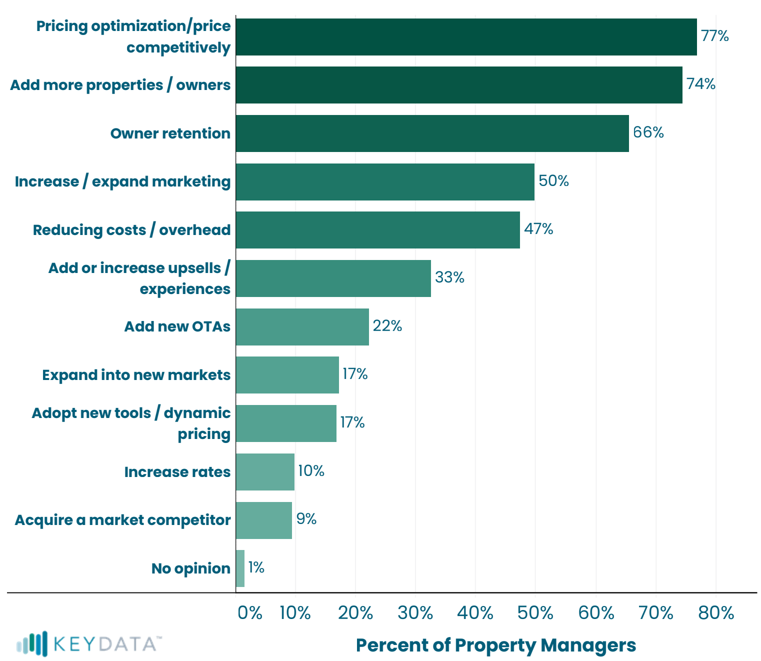
When anticipating an increase in competition, it's crucial to keep a close eye on your key metrics and employ smart strategies. Benchmarking your performance to understand your competitive position will allow you to make necessary adjustments to your pricing or marketing strategy. Optimizing channel distribution and updating listing photos can also have an impact on revenue growth in a more saturated market.

What revenue management and marketing strategies will you employ in 2025 to achieve your goals? Check all that apply.

74% of property managers plan to add new owners/properties to their inventory in 2025

Revenue management and marketing strategies have always been an integral part of property management, but have been especially important in the past few years to make up for decreased demand. Looking forward to 2025, property managers plan to employ a wide range of strategies to achieve their goals. Pricing optimization, adding more properties, and owner retention were all ranked by over 65% of property managers. On the flip side, only 10% or less of property managers plan to increase rates or acquire a market competitor.

Property acquisition and retention have been more difficult during the last year. In the 12-month period concluding at the end of August 2024, only 57% of Key Data's United States property managers had a positive net growth rate, meaning they added more properties than they lost. This is substantially lower than 64% in 2023 and 73% in 2022. Homeowner acquisition is key to improving portfolio revenues but is challenging. This will be a key focus for 2025.



	Hawaiian Islands	Mid-Atlantic	Midwest	New England	Rocky Mountains	Southeast	Southwest	West
Pricing optimization/price competitively	90%	80%	57%	80%	70%	81%	78%	71%
Add more properties / owners	100%	80%	93%	60%	81%	71%	56%	64%
Owner retention	70%	20%	71%	20%	70%	68%	44%	64%
Increase / expand marketing	70%	80%	64%	20%	49%	50%	44%	29%
Reducing costs / overhead	10%	80%	50%	60%	35%	52%	44%	43%
Add or increase upsells / experiences	10%		43%	40%	27%	36%	44%	36%
Add new OTAs	10%		29%	20%	11%	25%	33%	21%
Expand into new markets	30%	20%	50%		19%	12%	22%	14%
Adopt new tools / dynamic pricing	10%		29%	20%	22%	15%		29%
Increase rates			14%		11%	8%		29%
Acquire a market competitor	20%	20%	21%		11%	8%		
No opinion				20%		1%		7%

Percent of Property Mangaers by Region

0% 100%

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	Extra Small	Small	Mid-size	Large	Extra Large
Pricing optimization/price competitively	82%	71%	78%	84%	75%
Add more properties / owners	79%	73%	81%	63%	75%
Owner retention	54%	63%	66%	72%	75%
Increase / expand marketing	57%	47%	60%	53%	15%
Reducing costs / overhead	46%	45%	57%	41%	30%
Add or increase upsells / experiences	39%	32%	33%	34%	25%
Add new OTAs	14%	13%	33%	22%	25%
Expand into new markets	14%	15%	24%	3%	35%
Adopt new tools / dynamic pricing	7%	16%	24%	16%	15%
Increase rates	18%	10%	12%		5%
Acquire a market competitor		5%	17%	9%	15%
No opinion				3%	10%

Percent of Property Mangaers by Size

0% 84%

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Regional Breakdown

The management and marketing strategies planned for 2025 depend greatly on the region of the property manager. 100% of Hawaiian Island property managers and 93% of Midwest property managers plan to add more properties. Over 50% of all regions plan on adding more properties and are also very concerned with homeowner retention. Meanwhile, Mid-Atlantic and New England property managers are the least concerned with owner retention.

Property managers in the Midwest are least concerned with pricing competitively and are more focused on adding properties. 29% in the Western U.S. plan to Increase rates, more than any other region.

Company Size Breakdown

Owner retention increases in priority as the size of the property management company increases, with three-quarters of Extra Large property managers citing it as a strategy to be employed, indicating that homeowner churn may be more of a concern for larger managers. However, only 15% of Extra Large property managers will increase marketing, compared to 47%+ of the other subsets.

Larger companies had more acquisition plans than smaller companies. 15% of Extra Large, 9% of Large, and 17% of Mid-size companies plan to Acquire a market competitor, compared to 0% of Extra Small property managers.

OVER

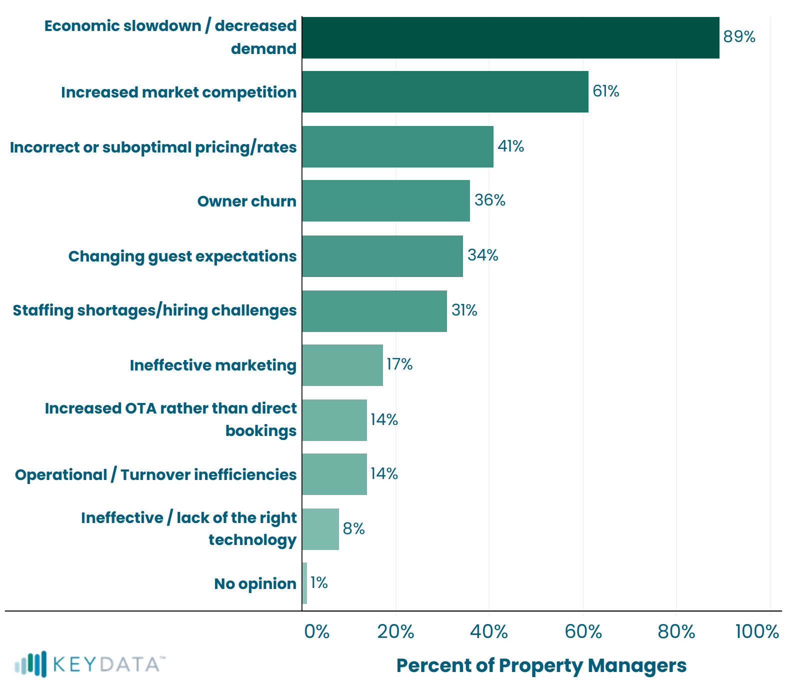
50%

of all regions plan on adding more properties and are also very concerned with homeowner retention.

What business or market challenges could prevent you from achieving your 2025 goals?

89% of property managers are concerned that a U.S. economic slowdown will negatively impact 2025 performance

The state of the United States economy was a significant concern for the majority of property managers. Owners who purchased investment homes with low interest rates during 2020 or 2021 saw record revenues in 2021 and 2022, which set their revenue expectations. Since then, with inflation and decreased demand, these owners have faced financial pressures of their own and passed this pressure on to their property managers. The primary challenge indicated by respondents was an economic slowdown or decreased demand, with 89% of all respondents including it as a concern. An increase in market competition was an anticipated challenge as well as incorrect or suboptimal pricing. Meanwhile, only 8% of property managers stated that Ineffective / lack of the right technology was a challenge.



	Hawaiian Islands	Mid-Atlantic	Midwest	New England	Rocky Mountains	Southeast	Southwest	West
Economic slowdown / decreased demand	100%	100%	64%	100%	84%	93%	78%	93%
Increased market competition	40%	80%	71%	40%	57%	60%	78%	64%
Incorrect or suboptimal pricing/rates	30%	60%	29%	40%	30%	46%	44%	36%
Owner churn	10%	40%	50%	20%	41%	36%	44%	29%
Changing guest expectations		40%	36%	60%	24%	41%	22%	36%
Staffing shortages/hiring challenges	50%	60%	29%	40%	27%	30%	22%	29%
Ineffective marketing	10%	20%	7%		27%	19%	11%	7%
Increased OTA rather than direct bookings		20%	14%	20%	8%	15%	11%	21%
Operational / Turnover inefficiencies		40%			16%	15%	11%	14%
Ineffective / lack of the right technology		20%		20%	14%	8%		7%
No opinion						2%		

Percent of Property Mangagers by Region

0% 100%

KEYDATA

	Extra Small	Small	Mid-size	Large	Extra Large
Economic slowdown / decreased demand	86%	89%	88%	100%	85%
Increased market competition	50%	60%	62%	59%	75%
Incorrect or suboptimal pricing/rates	36%	37%	40%	47%	50%
Owner churn	32%	29%	41%	41%	40%
Changing guest expectations	29%	29%	34%	53%	30%
Staffing shortages/hiring challenges	11%	35%	31%	44%	25%
Ineffective marketing	25%	15%	21%	16%	10%
Increased OTA rather than direct bookings	18%	19%	7%	13%	10%
Operational / Turnover inefficiencies	11%	8%	16%	25%	10%
Ineffective / lack of the right technology	7%	8%	9%	3%	15%
No opinion					10%

Percent of Property Mangagers by Size

0% 100%

KEYDATA

Regional Breakdown

100% of respondents from the Hawaiian Islands, Mid-Atlantic, and New England indicated economic slowdown / decreased demand as a concern. Only 64% in the Midwest region said the same, compared to 71% indicating increased market competition as a challenge. Along with the Midwest, the Mid-Atlantic and Southwest are most concerned about increased market competition.

The Hawaiian Islands are significantly concerned about staffing shortages or hiring challenges. Hawaiian property managers ranked staffing concerns as their second most common anticipated challenge, higher than any other region. New England and Mid-Atlantic property managers were also concerned with staffing, but each ranked several more pressing anticipated challenges.

Property managers in the Mid-Atlantic region are more likely to be concerned about pricing and operational inefficiencies than other regions. 20% of Mid-Atlantic and New England property managers cited a lack of the right technology as a potential challenge, compared to 0% in the Hawaiian Islands, Midwest, and Southwest.

Company Size Breakdown

Property managers across the board shared a significant concern for an economic slowdown and decreased demand. Larger companies are progressively more concerned with incorrect or suboptimal pricing when compared to smaller companies. One-quarter of Large property managers are keeping an eye on operational inefficiencies, compared to only 8% of Small, 16% of Mid-size, and 10% of Extra Large.

DATA PRO TIP

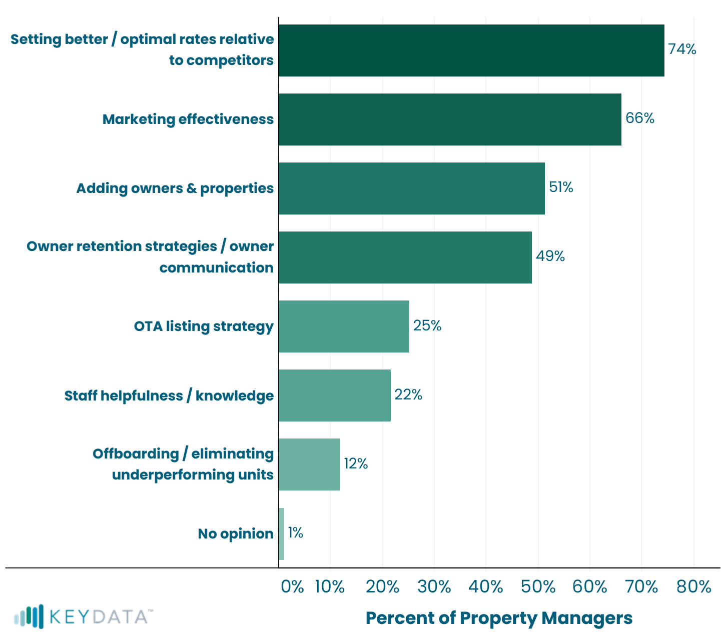
The U.S. economy is currently strong, with a 2.5% increase in the consumer price index for the 12 months ending August, 2024, and a 4.2% unemployment rate for August 2024. However, consumer spending is a concern. The future is uncertain and property managers anticipate economic slowdown to be the primary factor that could impact success in 2024. To maximize profits, property managers should evaluate booking rules like stay length minimums, determine which feeder markets to target with their marketing budget, and balance ideal nightly rates with occupancy rates.

Which factors, if done well, will most positively impact your ability to achieve your revenue / growth objectives over the next 12 months? Choose 3.

49% said homeowner retention and communication strategies would positively impact revenue growth

As we transitioned out of a record-revenue-setting period post-Covid during 2021 and early 2022, homeowners have been concerned about declining revenues. It is more critical than ever for property managers to keep the lines of communication open with their owners. Keeping owners abreast of their strategies to battle inflation, decreased demand, and other operational challenges continues to be crucial. As such, nearly half (49%) of the respondents said that owner retention strategies and owner communication will positively impact revenue growth.

Setting optimal rates was cited by nearly three-quarters of responses as positively impacting the ability to achieve growth objectives, proving that property managers believe rates can make a significant impact. Marketing effectiveness was also largely recognized as impactful for growth, with 66% indicating it as a top factor. While 51% said adding owners & properties was important, 12% of property managers said eliminating underperforming units was impactful.



	Hawaiian Islands	Mid-Atlantic	Midwest	New England	Rocky Mountains	Southeast	Southwest	West
Setting better / optimal rates relative to competitors	70%	80%	57%	20%	65%	81%	89%	71%
Marketing effectiveness	70%	60%	86%	80%	57%	69%	56%	57%
Adding owners & properties	60%	20%	50%	60%	65%	51%	33%	36%
Owner retention strategies / owner communication	60%	40%	64%	20%	57%	44%	44%	50%
OTA listing strategy	20%	60%	14%	40%	27%	22%	33%	29%
Staff helpfulness / knowledge	20%	20%	29%	20%	19%	22%	11%	36%
Offboarding / eliminating underperforming units		20%		60%	8%	11%	33%	14%
No opinion					3%			7%

Percent of Property Mangagers by Region

0% 89%

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	Extra Small	Small	Mid-size	Large	Extra Large
Setting better / optimal rates relative to competitors	68%	74%	71%	84%	75%
Marketing effectiveness	75%	65%	62%	72%	65%
Adding owners & properties	64%	52%	59%	28%	50%
Owner retention strategies / owner communication	39%	47%	57%	34%	65%
OTA listing strategy	29%	27%	16%	38%	15%
Staff helpfulness / knowledge	21%	19%	24%	25%	20%
Offboarding / eliminating underperforming units	4%	13%	12%	19%	10%
No opinion		3%			

Percent of Property Mangaers by Size

0% 84%

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Regional Breakdown

Mid-Atlantic property managers were least likely to believe that adding properties and owners would impact ability. Meanwhile, the Hawaiian Islands and Midwest are not offboarding units. Only one-fifth of New England property managers find setting optimal rates likely to impact growth, a significantly lower number than in other regions. Conversely, the Southwest region was the most concerned with Setting better / optimal rates, with the Southeast and Mid-Atlantic regions close behind.

Company Size Breakdown

68% of Extra Small property managers are focused on better pricing relative to competitors, the least of any group. Meanwhile, they are almost equally focused on adding owners and properties. Extra Small property managers are the most focused on the marketing effectiveness of any subset.

Extra Large property managers are more concerned with owner retention and communication strategies than other subsets. Meanwhile, only 10% of Extra Large property managers are offboarding underperforming units, compared to 19% of Large property managers.

WHILE

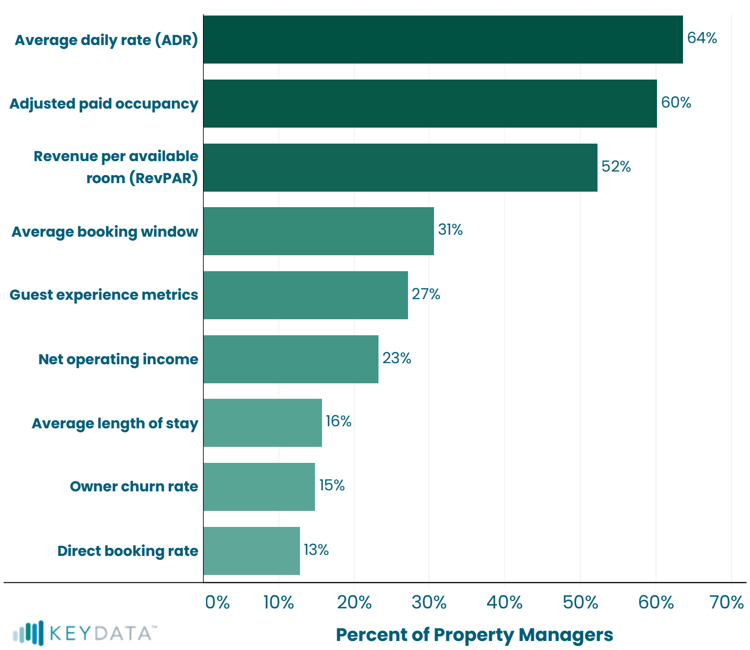
51%

said adding owners & properties was important, 12% of property managers said eliminating underperforming units was impactful.

Which KPIs will be most important to you when assessing the performance of your portfolio over the next 12 months? Choose 3.

52% ranked RevPAR as one of the top three KPIs to assess performance

ADR (Average Daily Rate), APO (Adjusted Paid Occupancy), and RevPAR (Revenue per available room) were ranked as the top three metrics of importance. 64% of property managers ranked ADR as one of the three most important KPIs to assess. APO was also included in the top three by the majority of property managers as well as RevPAR.



"While Occupancy, ADR, and RevPAR are core KPIs most property managers monitor, many property managers understand tracking and strategizing around all KPIs is extremely important to the overall health and success of their business."

Stephanie Zopp
Data Analyst
Key Data

	Hawaiian Islands	Mid-Atlantic	Midwest	New England	Rocky Mountains	Southeast	Southwest	West
Average daily rate (ADR)	30%	40%	64%	100%	68%	60%	89%	79%
Adjusted paid occupancy	30%	60%	50%	60%	62%	65%	67%	43%
Revenue per available room (RevPAR)	70%	60%	36%		41%	58%	56%	50%
Average booking window	60%		29%	20%	27%	31%	22%	29%
Guest experience metrics	40%	40%	29%	20%	22%	27%	22%	36%
Net operating income	30%	40%	36%	20%	24%	21%	22%	21%
Average length of stay	20%	20%	21%	20%	24%	13%	11%	
Owner churn rate		20%	14%	20%	16%	15%		29%
Direct booking rate	20%	20%	21%	40%	16%	8%	11%	14%

Percent of Property Mangaers by Region

0% 100%

	Extra Small	Small	Mid-size	Large	Extra Large
Average daily rate (ADR)	61%	68%	62%	53%	75%
Adjusted paid occupancy	57%	48%	60%	75%	75%
Revenue per available room (RevPAR)	68%	50%	48%	50%	50%
Average booking window	25%	40%	31%	22%	15%
Guest experience metrics	21%	26%	29%	38%	20%
Net operating income	21%	29%	24%	16%	20%
Average length of stay	14%	16%	16%	19%	10%
Owner churn rate	7%	10%	19%	19%	25%
Direct booking rate	25%	13%	10%	9%	10%

Percent of Property Mangaers by Size

0% 75%

Regional Breakdown

Only 30% of Hawaiian Islands and 40% of Mid-Atlantic were primarily concerned with ADR, compared to at least 60% in all other regions, with Southwest at 89% and New England at 100%. Similarly, 30% of Hawaiian Islands and 43% of West property managers were concerned with APO as a top three KPI, all other regions were over 50%. However, property managers in the Hawaiian Islands are more likely to check RevPAR and Average booking window than any other region.

New England is noticeably higher in their concern for their direct booking rate than any other region. Meanwhile, they are the only region that did not select RevPAR as one of their top three performance KPIs.

Company Size Breakdown

Extra Large property managers were most concerned with APO and ADR, ranking 75% each. 68% of responses from Extra Small property managers were for RevPAR, the highest of any KPI for Extra Small property managers, and the highest attention to RevPAR of any subset. Direct booking rate was also ranked higher by Extra Small property managers than any other subset.

43% of West property managers were concerned with APO as a top three KPI, all other regions were over 50%.

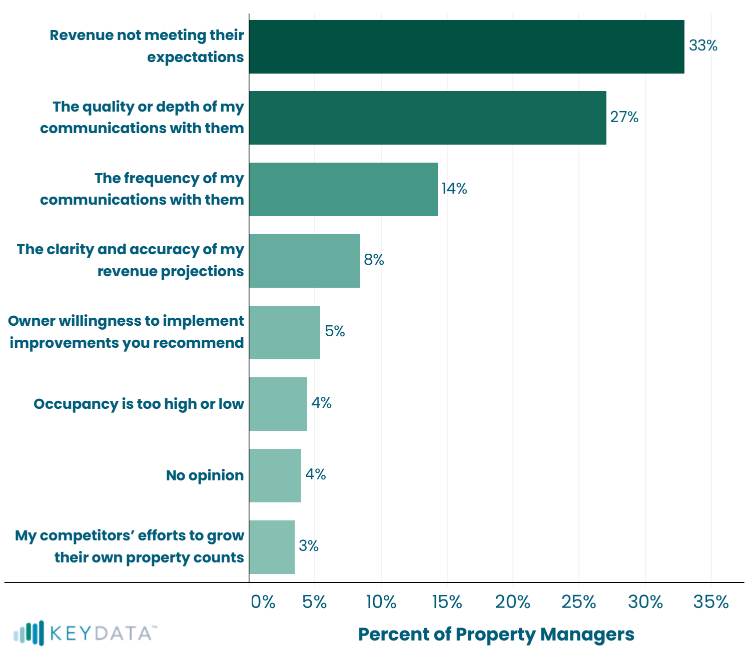
Which factor is most likely to impact your owners' decisions to remain in your program?

50% of Midwest respondents cited the quality or depth of communications with homeowners as the most likely impact on their decision to remain in the program

Homeowner retention is crucial to portfolio management. However, it's become more challenging in the last few years. For the twelve months ending August 2024, 36% of Key Data's U.S. property manager partners experienced a negative net growth rate, meaning they lost more properties than they added. This is substantially higher than 28% in 2023 and 21% in 2022.

Owners have become increasingly concerned with their revenues, and it appears that trend is expected to continue into 2025. Revenue concerns were the highest-ranked factor likely to impact homeowner retention at 33%. 27% indicated that the quality or depth of communications with homeowners was the most important factor, with another 14% citing the frequency of communication as the most important factor.

Meanwhile, less than 10% ranked the following as the primary factors to impact owners' decisions: Clarity and accuracy of revenue projections, Owner willingness to implement recommendations, occupancy being too high or low, or their competitors' efforts to grow their own property counts.



	Hawaiian Islands	Mid-Atlantic	Midwest	New England	Rocky Mountains	Southeast	Southwest	West
Revenue not meeting their expectations	30%	40%	7%		32%	39%	33%	29%
The quality or depth of my communications with them	10%	20%	50%	20%	24%	27%	33%	21%
The frequency of my communications with them	10%	20%	21%		16%	11%	22%	21%
The clarity and accuracy of my revenue projections	30%		14%	20%	11%	6%		7%
Owner willingness to implement improvements you recommend	10%	20%		40%	5%	5%		
Occupancy is too high or low	10%		7%		5%	5%		
No opinion				20%		4%		21%
My competitors' efforts to grow their own property counts					5%	4%	11%	

Percent of Property Mangaers by Region

0% 50%

	Extra Small	Small	Mid-size	Large	Extra Large
Revenue not meeting their expectations	25%	23%	38%	44%	45%
The quality or depth of my communications with them	18%	35%	26%	25%	20%
The frequency of my communications with them	7%	19%	17%	13%	
The clarity and accuracy of my revenue projections	14%	8%	3%	9%	15%
Owner willingness to implement improvements you recommend	7%	3%	7%	9%	
Occupancy is too high or low	4%	5%	7%		5%
No opinion	14%	3%			10%
My competitors' efforts to grow their own property counts	11%	3%	2%		5%

Percent of Property Mangaers by Size

0% 45%

Regional Breakdown

New England had a significantly higher importance placed on owner willingness to make improvements you recommend as the factor most likely to impact retention. However, they did not anticipate revenue not meeting their expectations to impact the owners' decisions, a distinct difference from the majority of other regions which included it as a top factor.

Midwest respondents cited the quality or depth of my communications with them as the most important factor, with half of the Midwest property managers ranking it the top factor impacting owners' decisions, compared to only 10-33% in other regions.

Company Size Breakdown

Large companies are more concerned about revenue not meeting homeowner expectations. Although this was the most frequent response across all sizes, 45% of Extra Large property managers ranked it as the top factor, compared to only 25% of Extra Small. However, Extra Large companies are the least concerned with the frequency of communication with owners and their willingness to implement improvements.

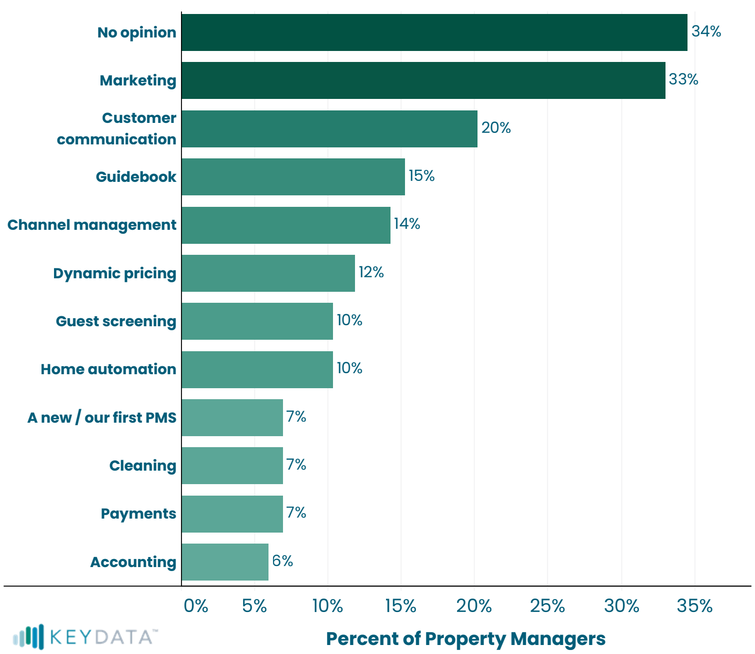
DATA PRO TIP

Keep homeowners up-to-date on their performance and projected profits. Utilize owner reports within the Key Data Dashboard to auto-populate an individual unit's key metrics and share it with homeowners to build trust and increase retention.

What new technologies do you expect to add or implement in 2025? Check all that apply.

Smaller property managers plan to add more technology

The property management tech stack has exploded in the last few years. However, the growth rate may be slowing, as many managers are not expecting to add any new technologies in 2025, with 34% selecting no opinion. However, those planning to add technology in the coming year were most likely to select marketing. Fewer than 10% expected to add a property management system, cleaning, payments, or accounting technology to their tech stack in 2025.



"New England property managers are more likely to be concerned with marketing costs related to their existing units, and front- and back-end labor costs, which leaves little room in the budget for adding to their tech stack."

Quinn Monescalchi
Senior Data Analyst
Key Data

	Hawaiian Islands	Mid-Atlantic	Midwest	New England	Rocky Mountains	Southeast	Southwest	West
No opinion	30%	20%	21%	40%	41%	38%	22%	29%
Marketing	50%	60%	43%	20%	32%	29%	67%	14%
Customer communication	40%		14%	20%	19%	18%	11%	43%
Guidebook	30%	20%	29%	20%	11%	14%	11%	7%
Channel management	20%	20%	21%	20%	14%	10%	22%	21%
Dynamic pricing	10%	20%		20%	8%	11%	22%	29%
Guest screening		20%	21%		14%	8%	22%	14%
Home automation			36%		11%	8%	11%	14%
A new / our first PMS	30%		14%	20%	5%	6%		
Cleaning	10%		21%		5%	6%	11%	7%
Payments					5%	8%	11%	14%
Accounting	10%	20%	14%		5%	4%	11%	7%

Percent of Property Mangaers by Region
0% – 67%

	Extra Small	Small	Mid-size	Large	Extra Large
No opinion	32%	26%	31%	47%	60%
Marketing	50%	34%	36%	22%	15%
Customer communication	21%	16%	22%	28%	10%
Guidebook	14%	16%	10%	22%	15%
Channel management	18%	16%	17%	6%	5%
Dynamic pricing	18%	10%	12%	9%	15%
Guest screening	7%	6%	19%	3%	15%
Home automation	4%	15%	10%	9%	5%
A new / our first PMS	11%	8%	3%	9%	5%
Cleaning	4%	10%	7%	6%	5%
Payments	4%	5%	16%		5%
Accounting	7%	8%	5%	3%	5%

Percent of Property Mangaers by Size
0% – 60%

Regional Breakdown

Customer Communication technology will be implemented more heavily in the West and Hawaiian Islands in 2025. The West region is the least likely to implement marketing technology, with only 14% of property managers indicating they expect to implement marketing technology.

Rocky Mountain and New England Property managers are the least likely to implement technology in 2025, with at least 40% from each region indicating no opinion on their plans to add technology.

Company Size Breakdown

There is an inverse relationship between adding marketing technology and the size of the property manager. 50% of Extra Small property managers plan to implement marketing strategies in 2025, while only 15% of Extra Large property managers plan to do the same. Extra Large companies are more likely to have no implementation plans for 2025, with 38% of respondents in the category selecting no opinion for this question.

FEWER THAN

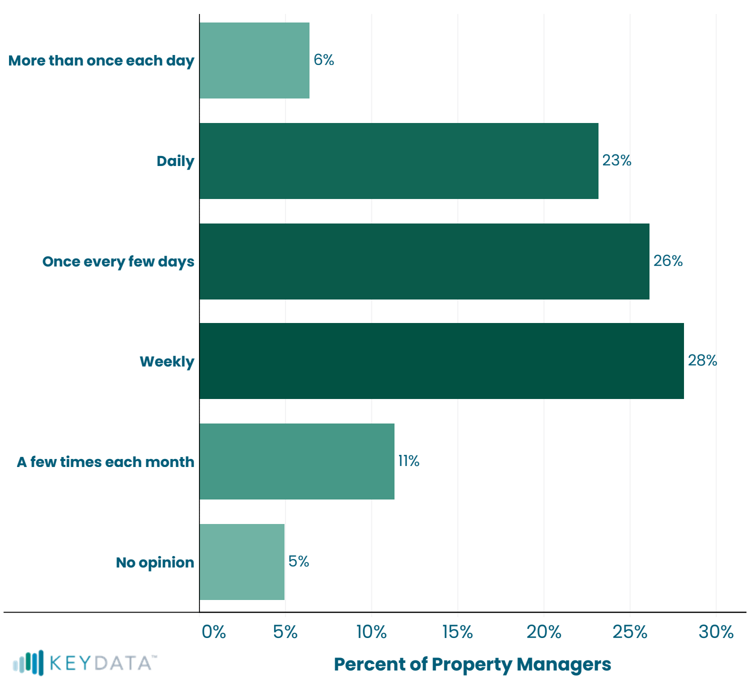
10% expected to add a property management system, cleaning, payments, or accounting technology to their tech stack in 2025.

How frequently do you examine or adjust pricing on any given unit?

83% of property managers change prices at least once a week

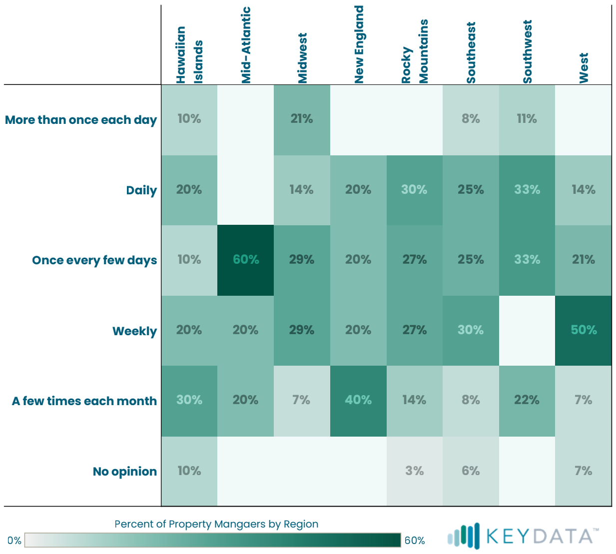
Property managers most frequently examine prices on a weekly basis, with 28% of respondents indicating a weekly schedule for pricing adjustments. Popular schedules were also examining prices once every few days or daily. Only 11% of property managers' routines involved checking prices a few times a month.

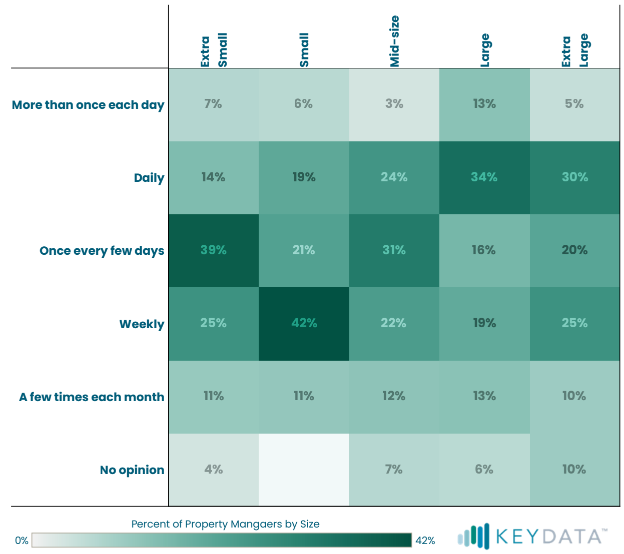
This high frequency of adjustments indicates that property managers are not only prioritizing pricing but are willing to dedicate time to ensuring proper pricing is being utilized.



"The days of printing a brochure with seasonal prices are long gone. Property managers should adjust their rates regularly to respond to changing market conditions and maximize revenues. Regular price adjustments allow operators to course-correct throughout the booking period if forward-looking occupancy pacing is lagging."

Melanie Brown
Exec. Director of Data Analytics
Key Data





Regional Breakdown

New England checks and adjusts prices less frequently than other regions, with 40% of respondents indicating they adjust a few times a month. Hawaiian Islands, Midwest, Southeast, and Southwest regions were the only regions that responded that they adjust prices more than once a day, which generally reflects the use of a dynamic pricing tool.

Company Size Breakdown

Larger property managers are more likely to adjust prices on a daily basis, with 34% of Large and 30% of Extra Large property managers reporting daily adjustments. Meanwhile, 39% of Extra Small property managers adjust prices once every few days, and 25% only once a week. Larger teams and sophisticated software could play a role in the capacity for frequent pricing updates at larger companies.

11%

of property managers' routines involved checking prices a few times a month.

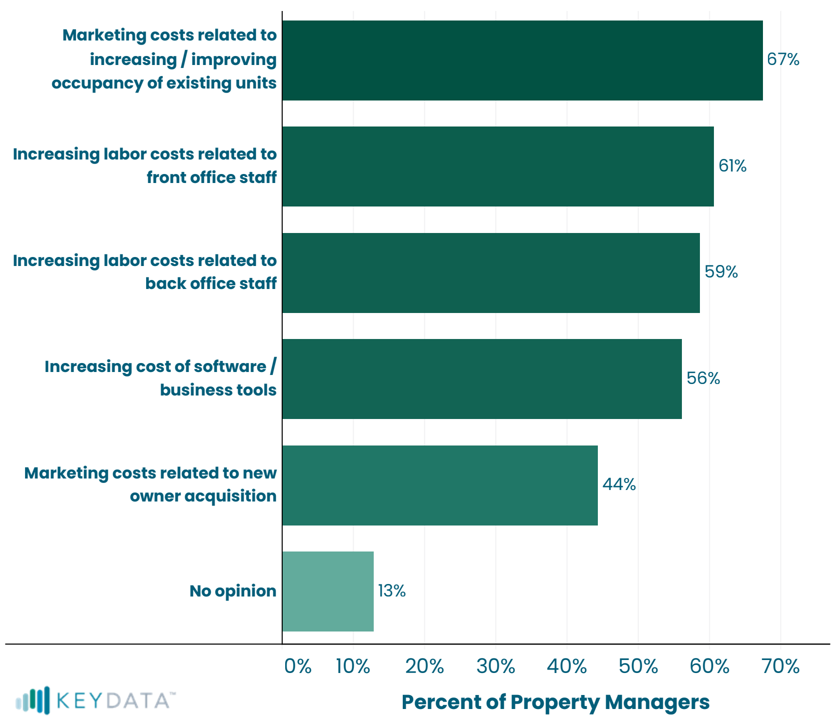
What do you expect will be the primary drivers of new or increased costs for your business over the next 12 months? Choose 3.

Property managers anticipate more marketing and labor costs in 2025

Operating a profitable vacation rental management company has become even trickier during the last few years due to higher operational costs and lower rental revenues.

For 2025, the majority of property managers anticipate that marketing costs related to improving the occupancy of existing units will be a primary cost driver in the next year. However, fewer than half ranked marketing costs related to new owner acquisition. Increased labor costs were also commonly ranked for both front- and back-office staff.

Notably, only 44% of managers expect owner acquisition to be a primary driver of business costs despite 74% of managers planning to add new inventory. This indicates that homeowner acquisition can be a fairly affordable way to increase company revenues



	Hawaiian Islands	Mid-Atlantic	Midwest	New England	Rocky Mountains	Southeast	Southwest	West
Marketing costs related to increasing / improving occupancy of existing units	60%	100%	64%	80%	57%	70%	89%	57%
Increasing labor costs related to front office staff	100%	60%	64%	80%	62%	56%	44%	71%
Increasing labor costs related to back office staff	50%	100%	71%	100%	59%	53%	67%	71%
Increasing cost of software / business tools	30%	20%	50%	40%	49%	65%	44%	50%
Marketing costs related to new owner acquisition	40%	20%	50%		54%	44%	44%	36%
No opinion	20%				19%	12%	11%	14%

Percent of Property Mangaers by Region

0% 100%

KEYDATA

	Extra Small	Small	Mid-size	Large	Extra Large
Marketing costs related to increasing / improving occupancy of existing units	71%	69%	62%	69%	70%
Increasing labor costs related to front office staff	50%	65%	60%	72%	50%
Increasing labor costs related to back office staff	57%	52%	64%	69%	60%
Increasing cost of software / business tools	46%	68%	48%	50%	60%
Marketing costs related to new owner acquisition	68%	35%	52%	31%	35%
No opinion	7%	11%	14%	9%	25%

Percent of Property Mangaers by Size

0% 72%

KEYDATA

Regional Breakdown

Marketing costs related to increasing or improving occupancy were the largest response for Southwest, Southeast, and Mid-Atlantic with 100% of Mid-Atlantic property managers indicating it as a primary cost driver.

Increasing labor costs related to front office staff was a concern for 100% of Hawaiian Island property managers, while only 50% ranked Increasing labor costs related to back office staff as a top driver. However, Increasing labor costs related to back office staff was the largest response for Mid-Atlantic, Midwest, and New England, with Mid-Atlantic and New England at 100% of property manager responses.

Company Size Breakdown

Both forms of marketing costs were most important to Extra Small property managers. Marketing costs related to new owner acquisition were the least important to all size subsets with the exception of Extra Small property managers. Large property managers were most likely to be concerned with Increased labor costs related to front office staff and back office staff of any subset.

DATA
PRO TIP

In the face of increased competition, managers are focused on marketing for 2025. It is the most popular technology implementation and is the largest cost driver. Key Data's reporting suite can help optimize marketing efforts by identifying the feeder markets, booking periods, and booking sources that drive the most revenue for your inventory.

Meet the Team

Melanie Brown

Executive Director of Data Insights

Melanie leads Key Data's data analytics team and is a leading industry voice. She has been featured in publications such as VRMIntel, Skift, Wealth of Geeks, Travel Pulse, Reuters, The Washington Post, and Nerdwallet. She has also appeared on stage at numerous industry events, including VRMA International and VRMIntel's Data and Revenue Management.

Quinn Monescalchi

Senior Data Analyst

Quinn has been a valued member of the Key Data Analytics team for over five years, during which time, her data insights have been featured by Skift, VRMA, and Key Data's seasonal reports. She provides presentations and data visualizations to help property managers and destinations understand and react to changing industry trends.

Stephanie Zopp

Data Analyst

With over fifteen years in the tourism industry, Stephanie's data analysis has been featured by organizations including Eviivo, VRMA, and PASC. Stephanie contributes useful insights and analysis regarding emerging data trends worldwide for property managers and industry professionals.

Greg Richards

Chief Marketing Officer

Sydney Klein

Director of Content Marketing

Kaylee Martin

Graphic Designer

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