



2021 Vacation Rental Property Operations Report





The Report

We surveyed hundreds of vacation rental managers to measure how professionals are strengthening their property care programs to deliver high-quality rental experiences.

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Introduction

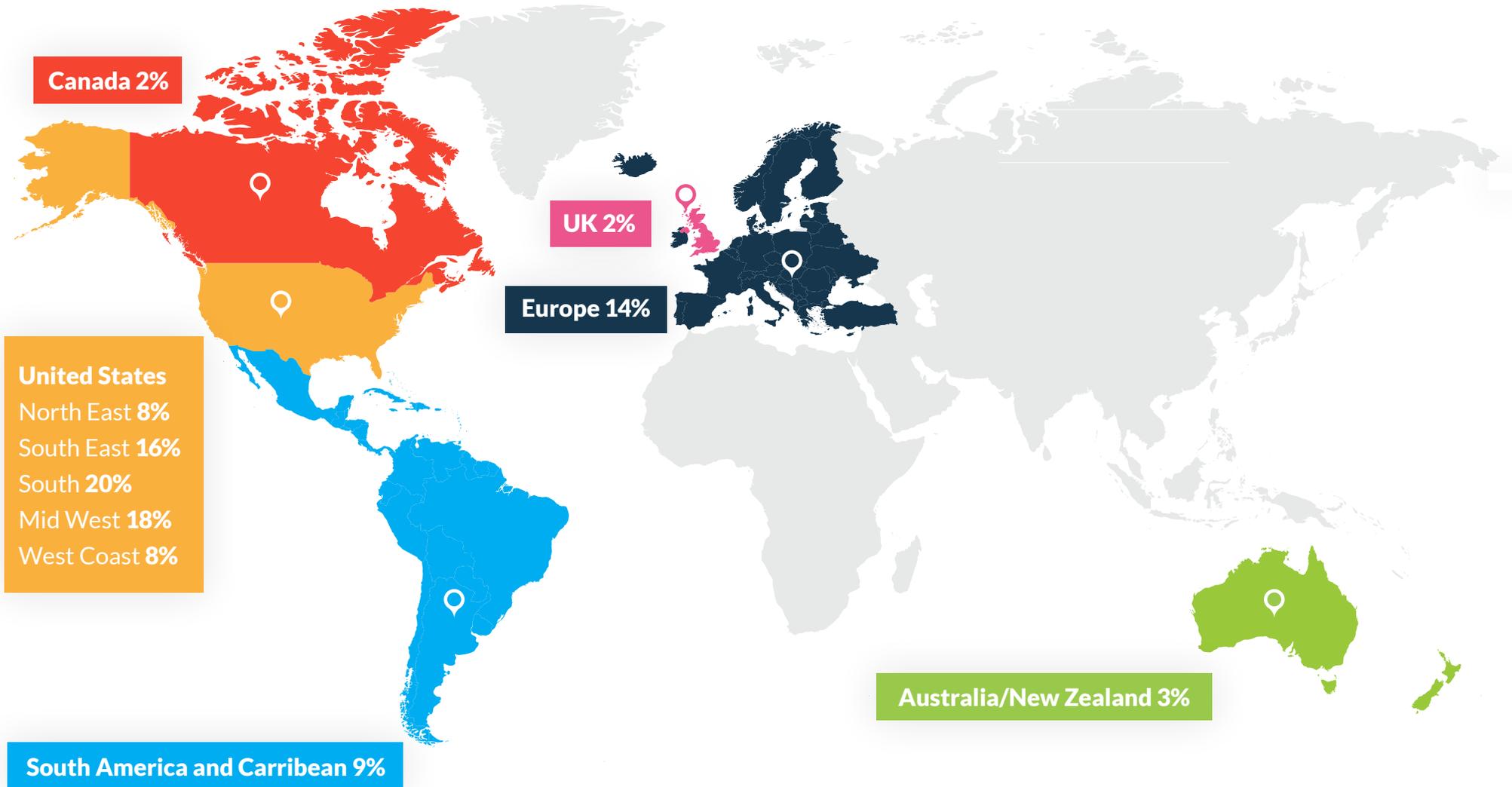
The growth of the short-term rental category over the past five years is well documented. This is seen not only with respect to the number of rentable homes and management companies, but also the pain-points and challenges that professional managers now face. The pandemic accelerated the importance of property operations (now a ubiquitous term and distinct category within the business), changing processes and routines for most vacation rental professionals.

With attributes like more privacy, ample space, and family-friendly amenities, vacation rentals have positioned themselves well amidst the pandemic (no longer perceived as ‘alternative accommodations’, and now a preferred hospitality category). That said, meeting increased expectations for elevated quality will be key to the industry’s sustained growth. Delivering on grander service expectations will be challenging, but the industry has been building towards

this for years. Sustained growth requires taking on more work in less time; from scheduling work, coordinating teams, monitoring compliance, tracking property details, and communicating with clients.

Breezeway conducted its 2nd annual ‘Property Care & Operations’ survey to uncover trends and best practices with respect to these areas. We surveyed over 300 professional managers around client expectations and traveler behavior, property operations and processes, quality assurance and safety compliance, client communication, and software tools and technologies. This report aims to provide a reflection of the current state of vacation rental operations, and strengthen the dialogue on how short-term rental operators can navigate the demands of travelers and owners, and capitalize on the growth opportunities that lie ahead.

Respondent Locations





Guest Expectations & Behaviors

Travelers continue to demand more personalized and premium vacation rental experiences. Lingering sensitivity towards safety and cleanliness are steering consumers towards rentals that deliver professionalism, a sentiment which 71% of operators believe will remain indefinitely. At the same time, millennials and younger generations are projected to account for 75% of travelers by 2025, a cohort of consumers that hold higher standards for service and convenience.

Younger and 'experience-oriented' consumers have shaped a new market opportunity for vacation rental operators. "There are new customers coming into our market," says Merilee Kerr, Founder & CEO of UnderTheDoormat, "and whether

we like it or not, we are going to be competing with hotels. Eleven percent of consumers are more likely to book a short-term rental coming out of COVID than they were going into it – this is our opportunity."

In fact, 93% of managers think elevated consumer expectations for cleanliness, quality and safety will sustain even as travel restrictions and pandemic uncertainty subside. It's clear that travelers are demanding more quality rentals and customized service, and short-term rental brands are focused on meeting these standards.

Traveler

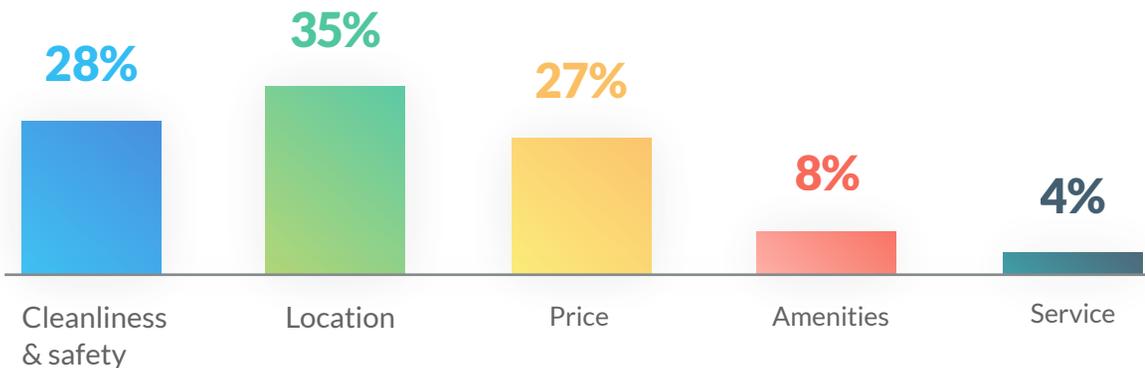
? Which statement best describes your feelings towards renting a vacation home in 2021?



? When looking for a vacation rental, which of the following is most important to you?



? What are your most important considerations when booking a vacation rental?



Manager

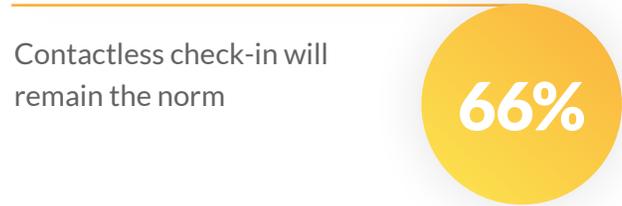


What do you think will happen to elevated client expectations and service standards in 2021?

Cleaning and safety will remain the most important factors at booking



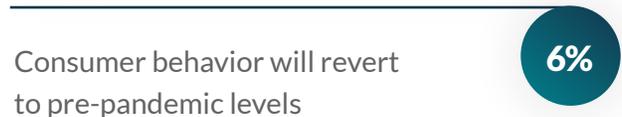
Guests and owners will expect proactive and timely communication



Contactless check-in will remain the norm



Regulatory scrutiny will continue to rise



Consumer behavior will revert to pre-pandemic levels



As clients continue to demand more, how do you plan on differentiating your brand and delivering more value in 2021?

Strengthening guest communication and client services



Delivering higher-quality properties



Increasing portfolio size



Optimizing existing technology stack



Adopting new technology and tools



Adding targeted marketing programs



Leveraging more property data





97%

In 2020, 97% of vacation rental operators thought guests had increased sensitivity towards cleanliness and safety, and felt that guest behaviors in the future would look different than those in 2019.



93%

In 2021, 93% of managers believe that guest expectations around cleanliness and safety will remain in place despite relaxation around pandemic behaviors.



Property Operations & Processes

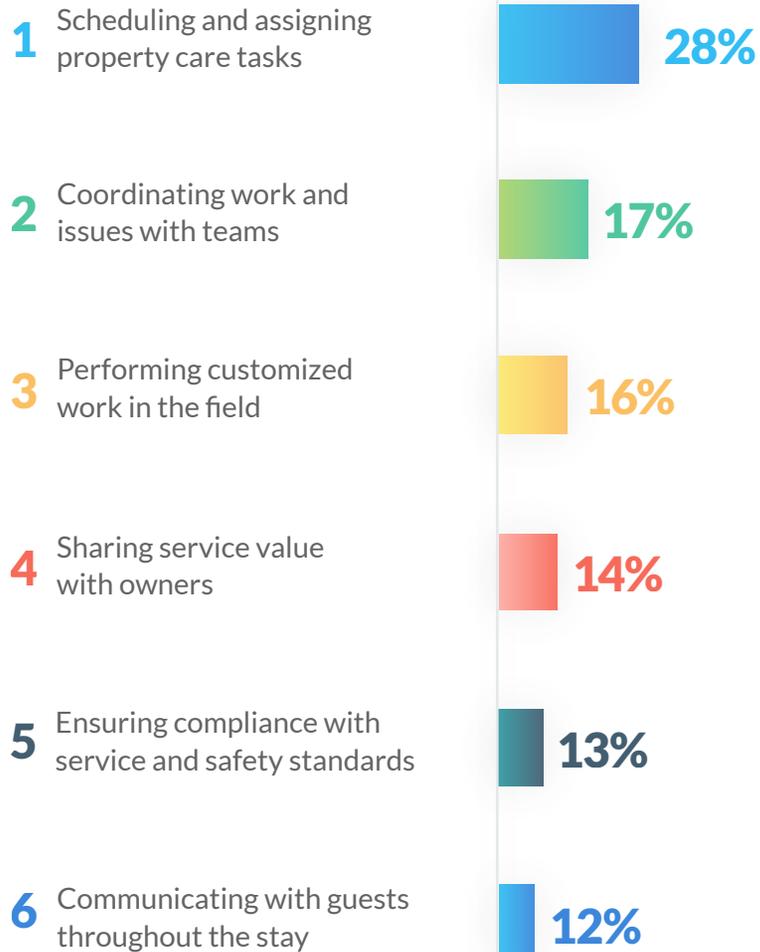
The pressure and focus on short-term rental property operations has never been greater. 92% of participants at Breezeway's 'Property Operations Summit' experienced an increase in their housekeeping workload since last spring, altering their operational workflows. "We had longer stays and they were coming in last-minute notices," said Jessie Sharp of Park City Rental Properties. "We had to be on our feet ready to run as soon as that reservation came through."

According to the survey data, scheduling and assigning property care tasks, along with coordinating work and issues with teams, were the two biggest operating challenges for vacation rental managers. The influx in work has underscored operational pain-points for many

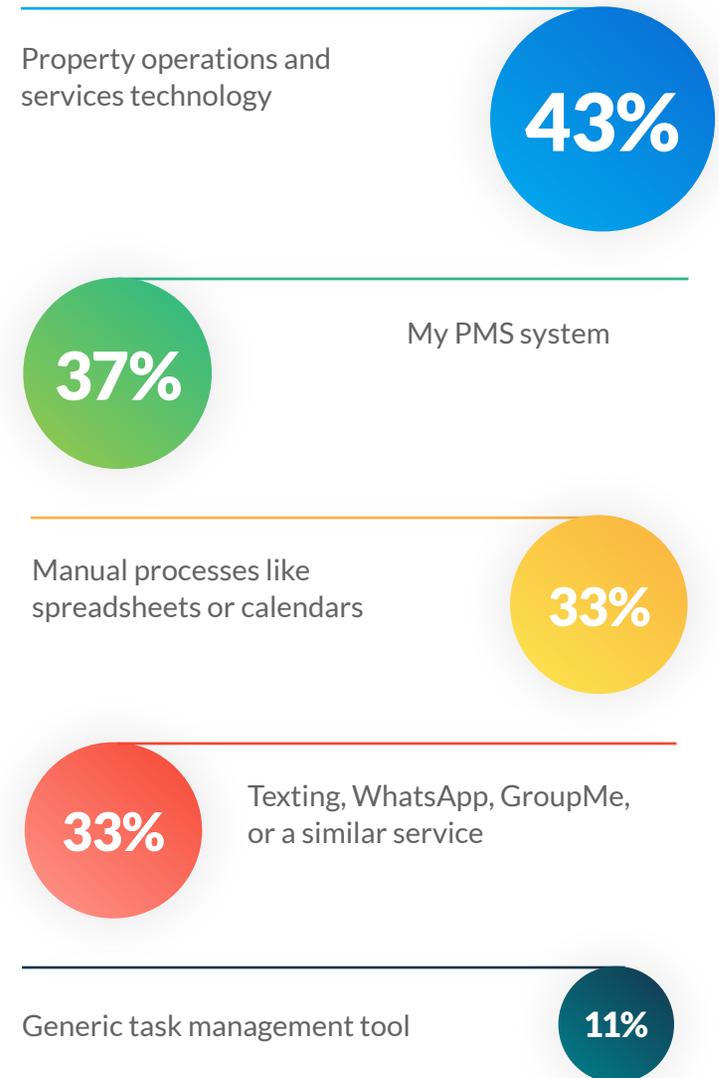
hospitality professionals, unveiling the detriments for the 57% of managers that rely on manual workarounds and generic task management tools like spreadsheets, calendars, and Asana.

Solving these challenges will require organized operations and workflows -- processes that leading operators are leaning into to align teams and delight guests (43% of managers are using purpose built tools to assign and monitor property care). "Being heavily involved in the organization of your operations is critical," says Ben Edwards, Owner of Weatherby Consulting. "Tracking how your team spends their time and how your resources are allocated ensures you work efficiently and purposefully."

? Rank order the following pain-points from most to least challenging.



? How do you assign/monitor property care (e.g. cleaning, inspections, maintenance, etc.)?

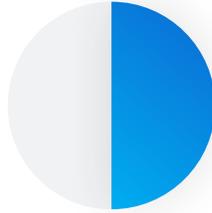




What do your teams use to perform work in the field?

50%

Customizable mobile apps / digital checklists



37%

Paper checklists or other manual efforts



31%

My PMS system



7%

other



The majority of managers find scheduling and assigning property care to be one of the most tedious aspects of operations.



60%

60% of managers are not utilizing a property operations and services tool - 35% of whom are still using manual processes like spreadsheets to assign and monitor property care.



Quality Assurance & Safety Compliance

Last year saw safety and quality become more closely tied to service delivery, and operators are expecting this year's traveler to be even more attentive to property preparation and compliance. To meet these service standards, operators are re-dedicating themselves to training housekeeping and inspection teams on how to perform professional-level property care that aligns with their company brand. These days, "managers should train staff in the actual property," says Durk Johson, Founder of Housekeeping Solutions Team. "Helping staff understand the impact of brand standards is imperative to the overall objective and financial health of the company."

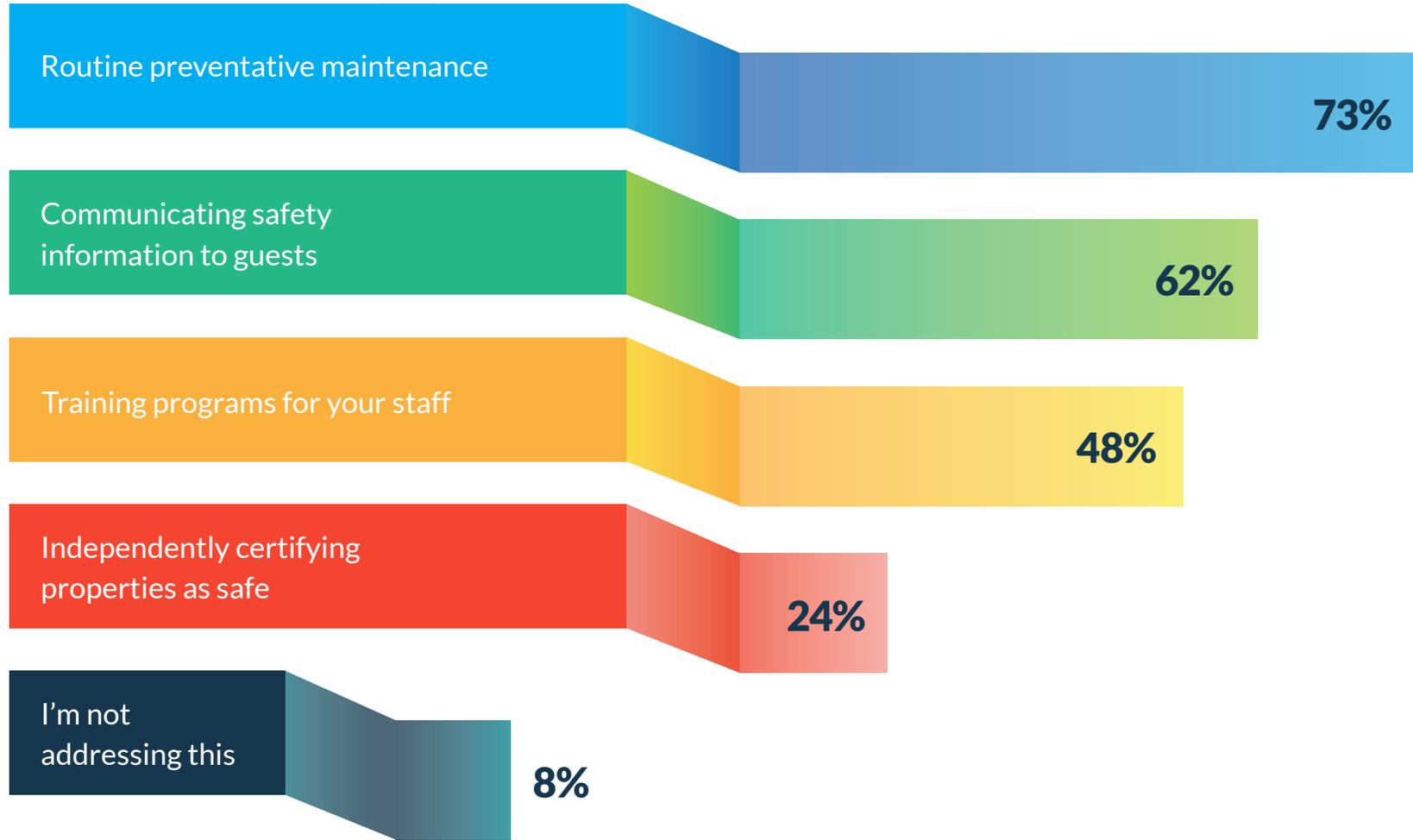
The data supports this trend, illustrating that property care professionals are allocating more time and resources towards quality assurance. In fact, the majority of managers surveyed are tailoring

housekeeping checklists for each property, independently inspecting the unit before the guest checks in, and giving staff prescriptive guidance via internal brand standards.

With the same care many are taking to quality assurance, managers are prioritizing the safety of their properties and renters more than ever before. 92% of managers are being more proactive with safeguarding properties by communicating critical information to guests, conducting routine preventative maintenance, independently certifying properties, and requiring staff to take safety training courses. The benefits of these measures extend well beyond protecting your clients and homes though, as many operators are leveraging safety programs to build a more professional brand and book more reservations.



In what ways are you addressing property and guest safety in 2021?





70%

In 2020, 49% of property managers customized their cleaning checklists. This is now 70% in 2021.

2021 survey data shows that 59% of managers are customizing both cleaning and inspection checklists, showcasing the need for detailed property care.

94%

94% of operators plan on addressing property and guest safety in 2021 through preventative maintenance, safety certifications, and training programs.



Client Communication & Reporting

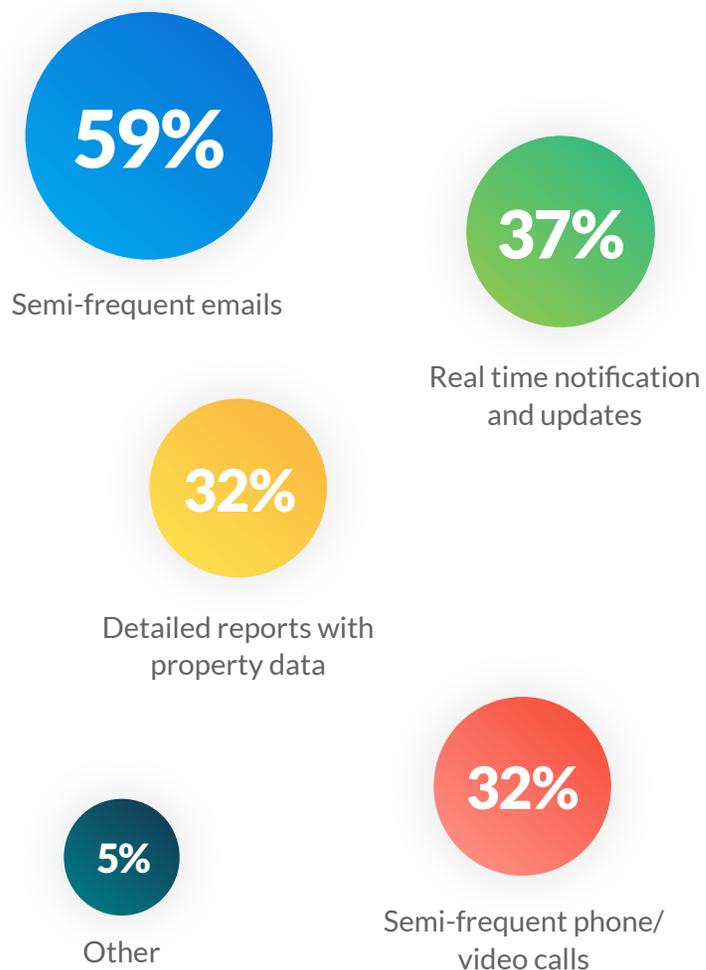
Communicating reservation confirmations and check-in procedures has been common practice for vacation rental operators. The modern traveler now expects managers to facilitate concierge service so they can feel like true VIPs (things like mid-stay cleaning, late check-out, and surrounding amenities and recommendations). Catering to these client expectations (and consequently capitalizing on additional revenue opportunities) requires organized communication. While purposeful communication has become a core tenant of the job, the majority of managers feel that client messaging and reporting is the biggest pain point in their business.

The transition from one-to-one phone calls to dynamic texting is one way managers are automating workflows and delivering more service. In fact, two out of every three managers surveyed plan on differentiating their brand by strengthening their guest communications

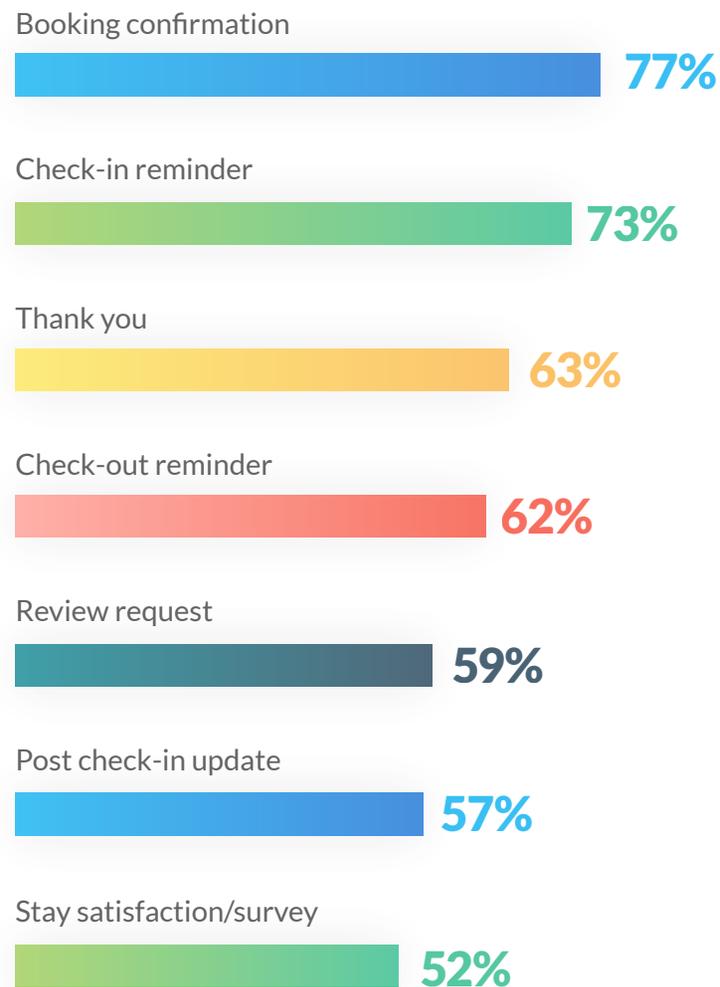
programs. Ashley Kubiszyn, CEO of River Ridge Rentals, transformed her business through SMS texting. “We no longer inconvenience our guests with a phone call, and they can read and reply to our messages whenever it’s easiest for them,” says Ashley. “Guests have a clear way to contact us during their stay, and we can fix issues in real-time and deliver a better hospitality experience.”

Facilitating personalized experiences doesn’t stop at the guest -- owner expectations have risen too. Homeowners are expecting more transparency into how their assets are (and will be) managed, and providing consistent visibility into asset management programs is necessary for fostering healthier client relationships. Developing a strong line of communication drives higher retention, glowing testimonials, and more word-of-mouth referrals.

? Which owner touch-points do you use to showcase the value of your services?



? What type of messages do you send to guests throughout their stay?





40%

Only 40% of managers are frequently communicating with guests and owners.

#1

Communicating with owners and guests is the number one rated pain-point for managers, beating out compliance, safety, work coordination, and task scheduling.

46%

46% of managers find communicating service value to owners a challenge. Only 32% of managers are sharing detailed property reports to clients.

66%

The majority of managers plan on strengthening their client services to differentiate their brand in 2021, prioritizing these efforts over marketing and acquisition.



Software Tools & Technology

Expanding your technology stack to best optimize your team is a hot topic in the vacation rental industry. 53% of operators are using at least four different software systems to operate their business, and that percentage is projected to increase in the coming years.

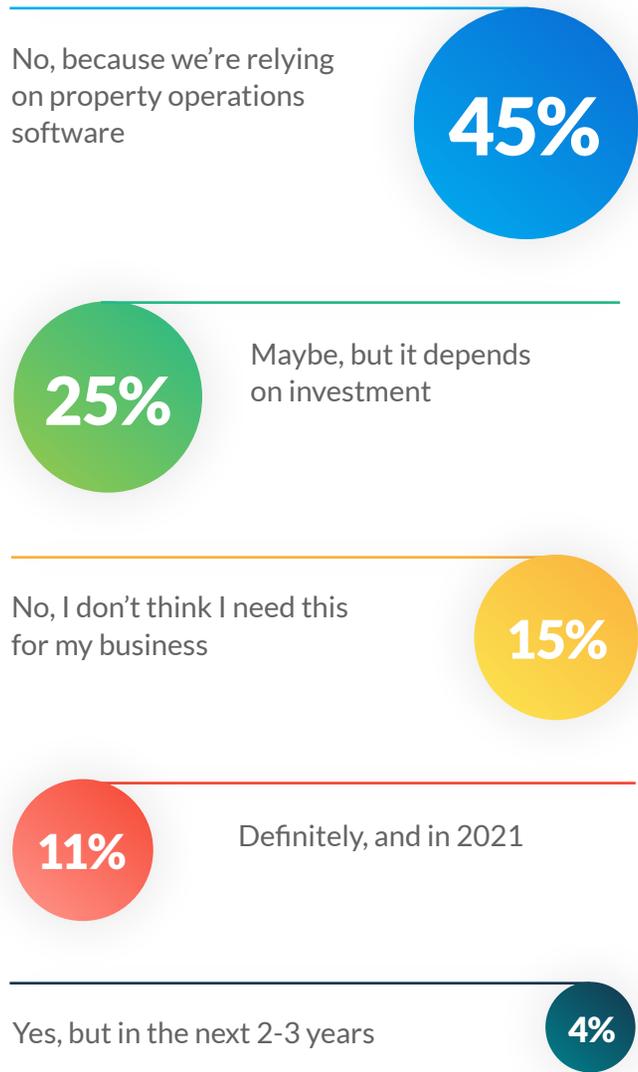
VRMB's Matt Landau, among many other industry leaders, echoes this sentiment. "In the wake of the pandemic it's become clear that the operators who are winning are those embracing technology. Tools have allowed the independent and growing manager to continue to scale, and their relationship with technology is a strong indicator of their survival and growth." The managers surveyed agree, with 88% planning on differentiating their

business by increasing or optimizing the technologies they use.

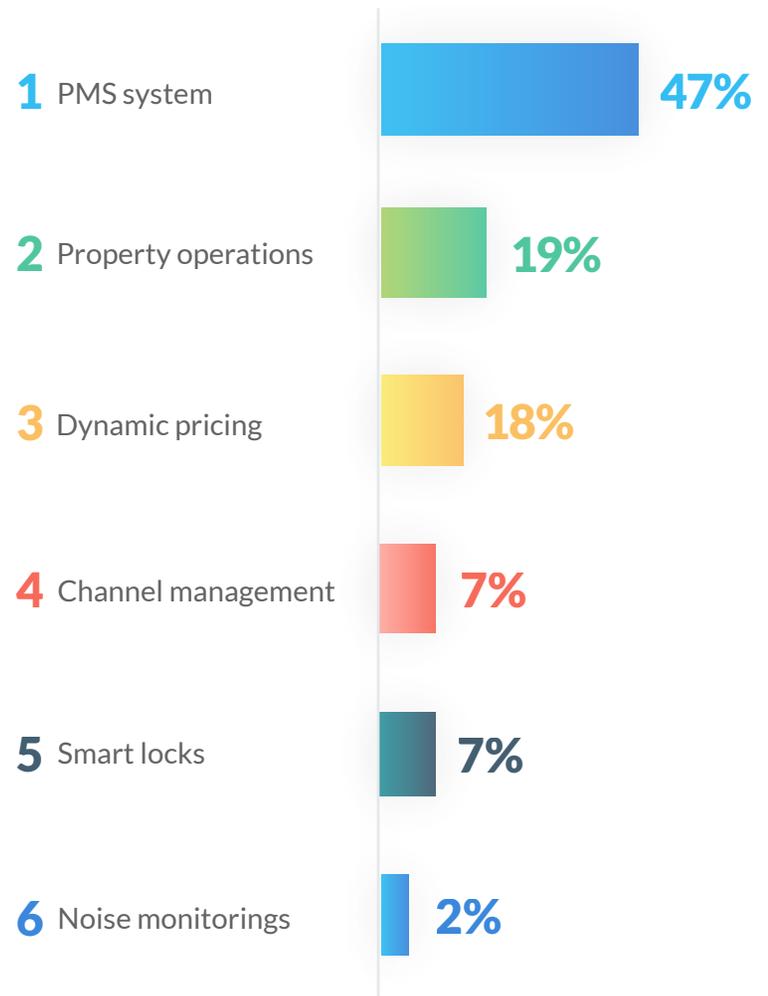
Of the different technologies available to vacation rental managers, property operations and service software is the focus. This isn't a surprise, considering the additional pressure the pandemic and rising client expectations have placed on timely and quality property preparation. In fact, 40% of operators that don't currently use property care tools plan on adopting them in the foreseeable future. By optimizing their operational workflows for both back-office and guest-facing processes, these managers will be better positioned to delight their guests and boost their profitability.



Do you plan on adopting property operations software?



Rank order the following technologies from most to least impactful for your business in 2021.





How many different software tools do you use to run your business?

47%

1-3 tools



38%

4-6 tools



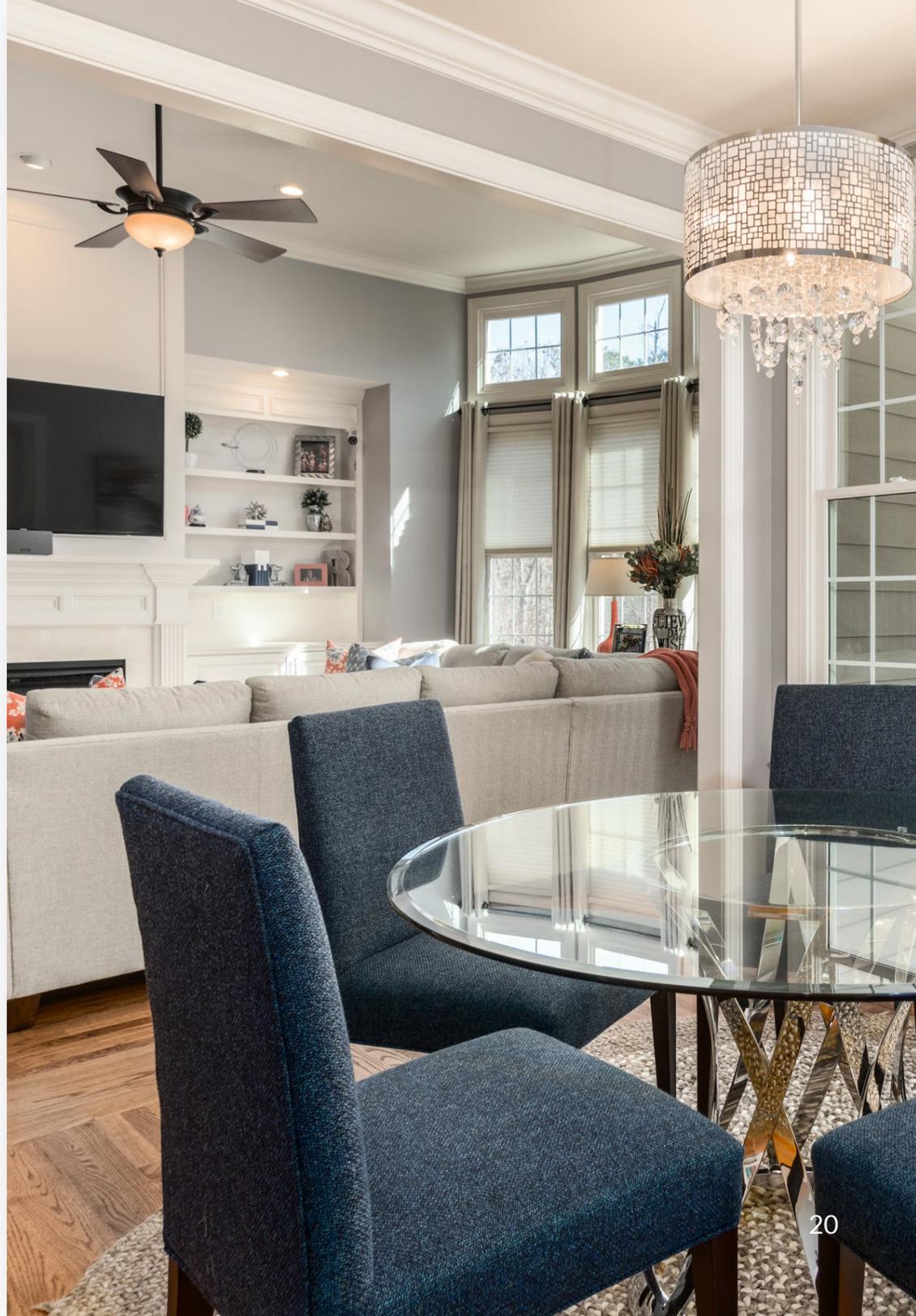
9%

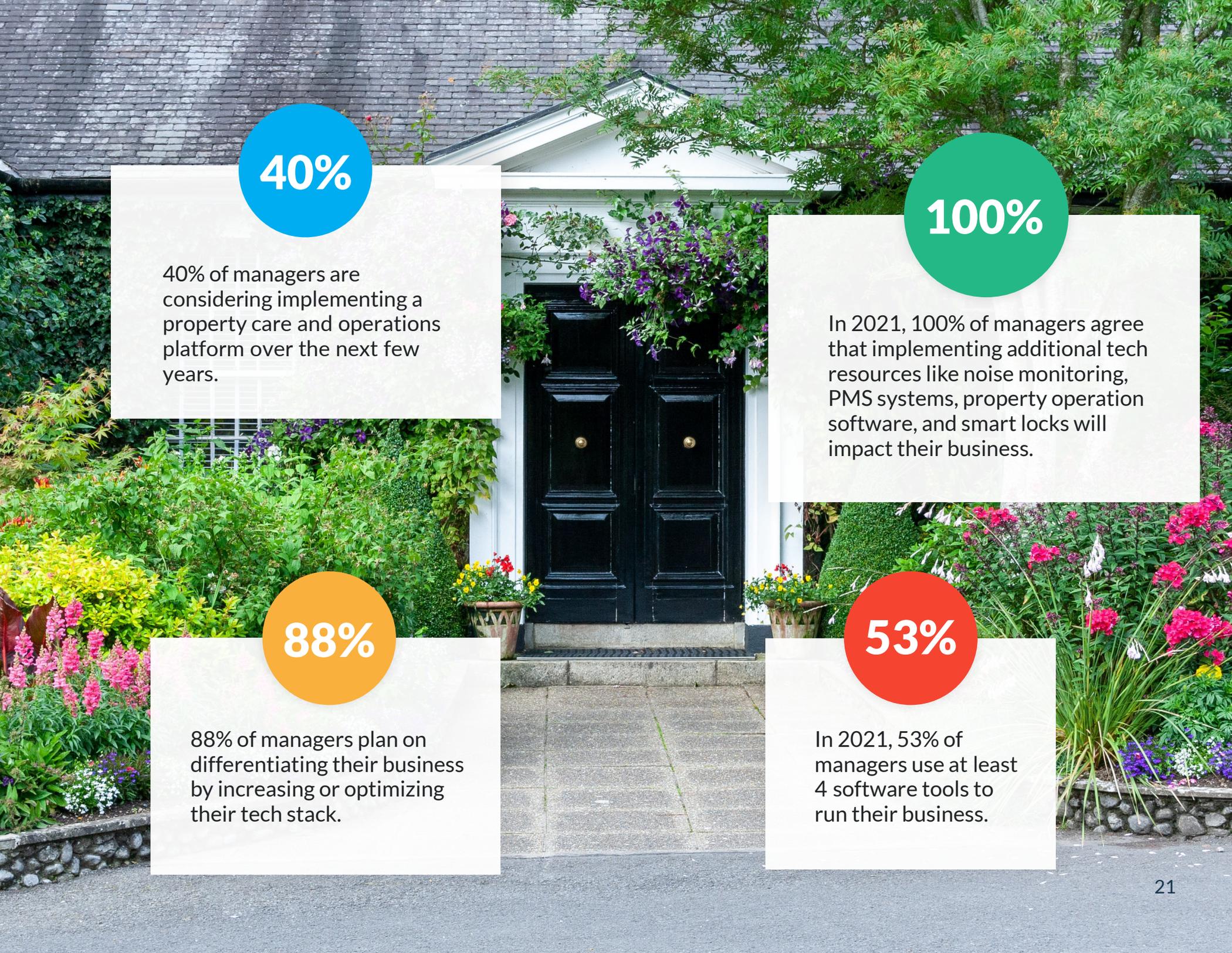
7-9 tools



6%

10+ tools





40%

40% of managers are considering implementing a property care and operations platform over the next few years.

100%

In 2021, 100% of managers agree that implementing additional tech resources like noise monitoring, PMS systems, property operation software, and smart locks will impact their business.

88%

88% of managers plan on differentiating their business by increasing or optimizing their tech stack.

53%

In 2021, 53% of managers use at least 4 software tools to run their business.

Conclusion

As the vacation rental industry continues to mature, consumer, environmental, and regulatory headwinds have changed the way managers run their businesses. Guests and owners are demanding more personalization, augmenting the existing challenges of coordinating work and requests across unpredictable schedules, unique properties, and multiple locations and clients.

Supported by the survey data above, cleanliness, communication, and automation are the core ingredients to delivering quality rental experiences. Hospitality providers are differentiating their business by delivering more service, by way of incorporating more purpose-built tools to quarterback property care and client communication. The clear way forward is tying operations to guest relations, using workflows to eliminate

manual work, reduce margin for error, and prepare and showcase high-quality rental properties. The operational best practices illuminated in this report should help short-term rental managers professionalize their property services to achieve higher client satisfaction and brand reputation.

To learn more about short-term rental property care, client service, and vacation rental safety, visit breezeway.io.