

Vacasa Rates & Revenue: Inventory Boom's Impact on Markets

1 message

Gabriel at Vacasa <mail@home.vacasa.com>

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Reply-To: Homeowner Accounts <reply-fecc157474670279-91_HTML-21002172-534000572-5004@home.vacasa.com>

To: etkiely@gmail.com



Hello Vacasa homeowners,

My name is Gabriel Cristerna and I am the VP of Revenue Management for Vacasa. My role within the company is to optimize your home's revenue potential.

We are in a changing environment in vacation rentals, and my team is tracking a variety of factors that are having an impact on our owners' income. I'll be sharing updates more regularly so you have a better understanding of what's going on from a Vacasa standpoint, however, it can also be helpful to know what's going on more broadly in the industry.

A recent [article](#) from Business Insider is helpful in understanding one of the most impactful factors in the vacation rental industry today: **the boom of increased inventory in vacation rental markets.**

- Data and analytics provider for the short-term rental industry AirDNA estimated that bookings increased year over year by about 21% in 2021 and by another 21% in 2022. Encouraged by the soaring demand and record-low mortgage rates, investors jumped into

the market, buying up homes in attractive locations and marketing them to the rising wave of vacationers and remote workers.

- The average number of short-term rentals on the market reached nearly 1.3 million in 2022, up by roughly 19% from the previous year and by about 7% from 2019, according to AirDNA.
- As inflation ticked up and the pandemic travel frenzy died down, an oversupply of vacation rentals left hosts fighting over visitors...Supply and demand were thrown "totally out of whack."

Additionally, short-term rental data and benchmarking platform Key Data estimates that the number of bookings per property dipped below 2019 levels. You can read more about it [here](#).

This is impacting our owners' rates and occupancy—there is simply far more inventory on the market today than ever before for guests to choose from. **To combat this, our Revenue Management team is currently focused on three areas:**

1. Competitively pricing your home within your marketplace. We do this by reviewing comparable units, regional home trends and year-over-year performance and adjusting price as needed, as well as planning up to 18 months out so that peak periods are protected for high-demand events in your local market.
2. Driving traffic to our direct channel, as well as other guest booking sites. Our direct channel includes our booking site, [Vacasa.com](#), and Guest app, which generates as much direct revenue as platforms like Airbnb or Vrbo. We do this by communicating with prior guests as well as actively marketing in a variety of online outlets.
3. Continually working on listing content optimization to curate Vacasa's listings for maximum performance on the most trafficked guest booking sites including Airbnb and Vrbo.

We appreciate your partnership and I look forward to sharing updates with you on a regular basis throughout the year.



Thank you,
Gabriel Cristerna
VP of Revenue Management

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Vacasa LLC | 850 NW 13th Ave., Portland, OR 97209