



Vacation Rentals • Management • Real Estate



2021

Vacation Rental Buyer Report

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Introduction

Our 2021 Vacasa Vacation Rental Buyer Report surveyed 700 people actively in the market to buy a vacation rental property about their mindsets, behaviors, and challenges as they navigate a changing market. Our latest report aims to arm agents and brokers with meaningful insights they need to compete successfully in a challenging market. Also, the ability to be able to connect their buyers to properties that meet their needs.

EXECUTIVE SUMMARY

Demand for vacation properties has soared

In 2020, the COVID-19 pandemic upended industries and lives. In particular, the hospitality and travel industries suffered inordinately during lockdowns and government-mandated travel bans. Spending more time at home made many people realize it was time to upgrade their homes or buy vacation properties to have a place to get away safely. As a result, demand has skyrocketed to new heights.

At the same time, inventory has hit historic lows with agents challenged to find listings for even the most experienced investment buyers. In 2021, it's a seller's market.

Buyers are still choosing vacation rentals over other real estate investments because of their higher return potential and flexible usage.

Our survey data shows:

- Who buyers are
- How they plan to buy
- What they look for
- What they want to spend
- What they really want from agents and brokers
- How they choose their agents and brokers

Importantly, we found today's buyers often lack the tools and clarity to make informed decisions when purchasing a vacation rental. They need real estate partners who can provide both local and industry analysis, as well as the financial know-how to factor in variables like cap rate and return on investment.

About Today's Buyer

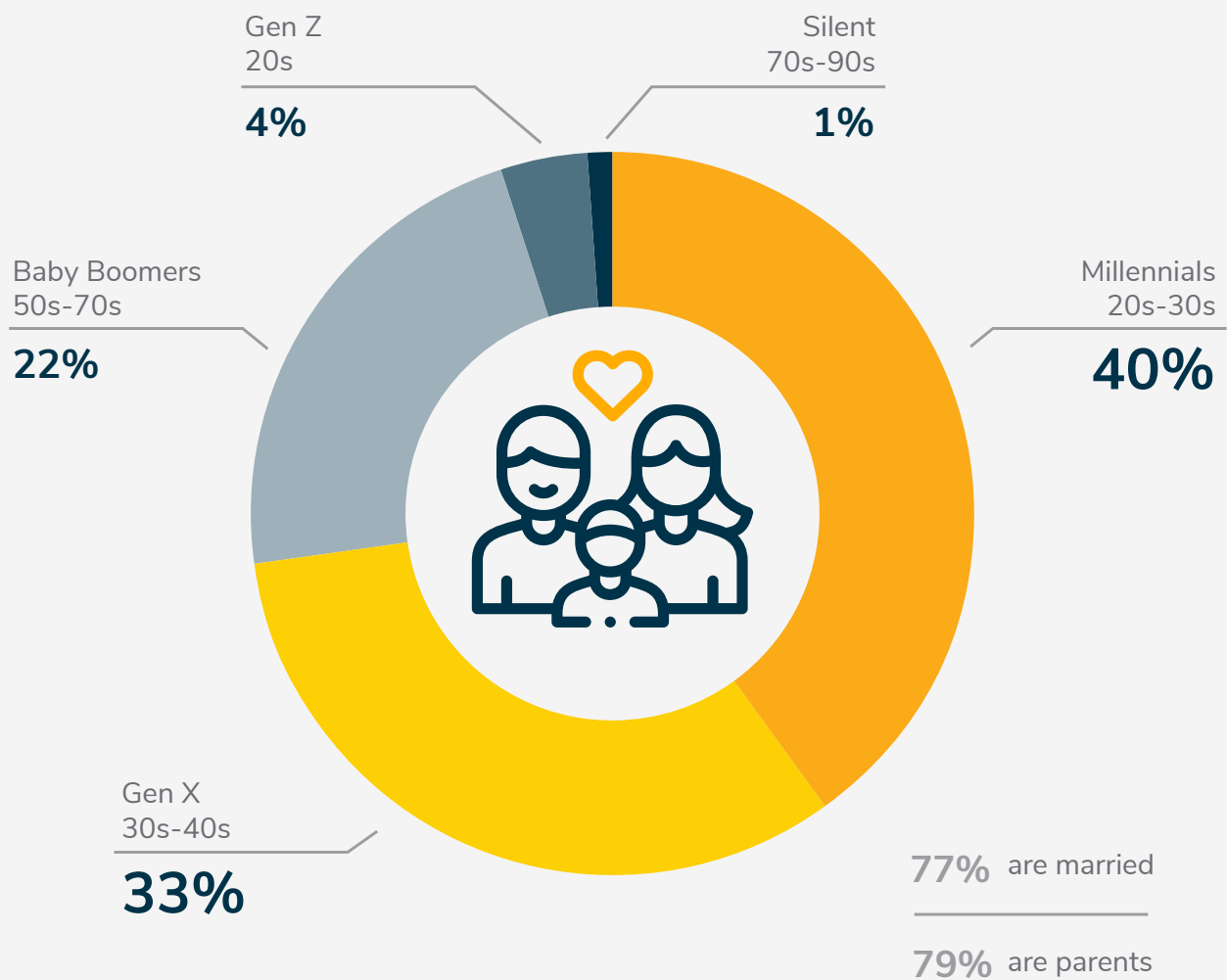
Profile, Motivations, Concerns



BUYER PROFILE

Don't overlook younger buyers

The majority (73%) of today's vacation rental buyers are Gen X and Millennial and 77% of buyers are married. This has held steady in recent years and shows a promising future for the vacation rental industry.



BUYER PROFILE

Salary and ambition of potential buyers



58% want a vacation rental property



42% want an investment property

A majority of U.S. consumers in the market with a primary residence now want a vacation rental property. More plan to use the property for personal use, rather than just hold it as an investment. And many want a place to get away to while the travel industry recovers.

31% of potential buyers make \$50,000 to \$99,999

35% of potential buyers make \$100,000 to \$149,999

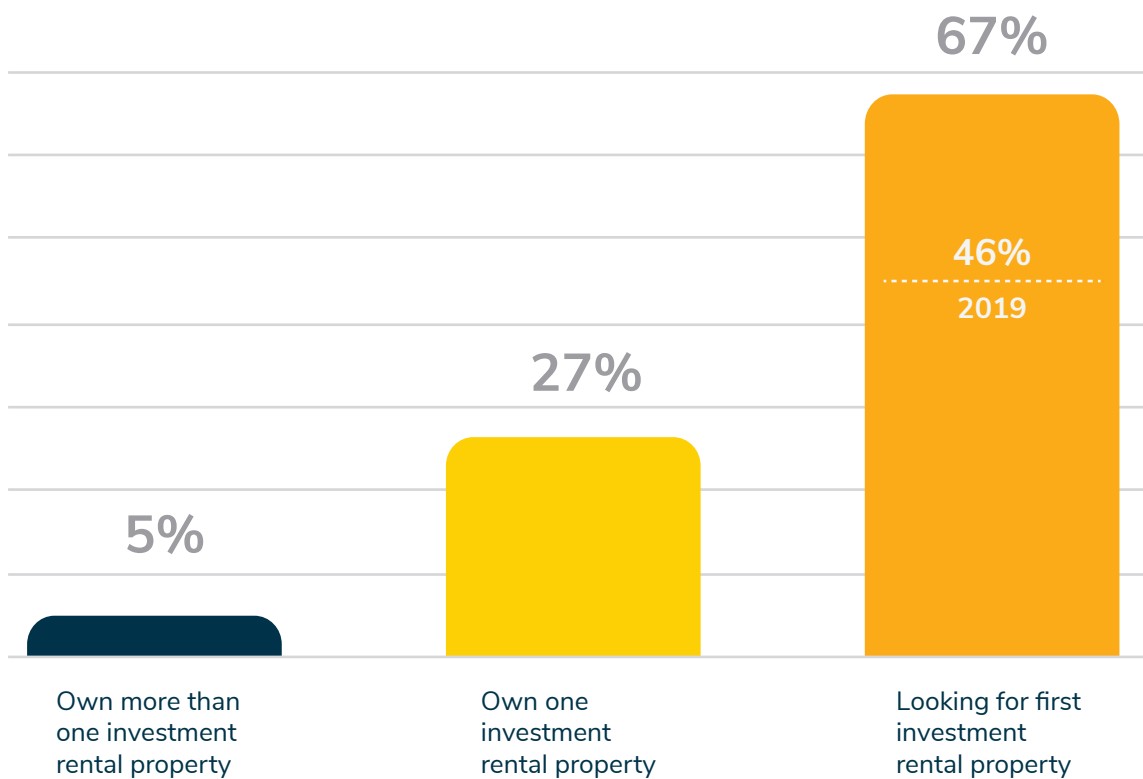
The COVID-19 pandemic might have changed buyer motivations for the foreseeable future, pushing more people on the fence into actually making their first investment.

BUYER MOTIVATIONS

Welcome, new buyers

Nearly 70% of buyers will make their first dive into investing in rental properties, a significant jump over 46% who were first-time buyers in 2019.

Do you already own an investment rental property, aside from your primary residence?

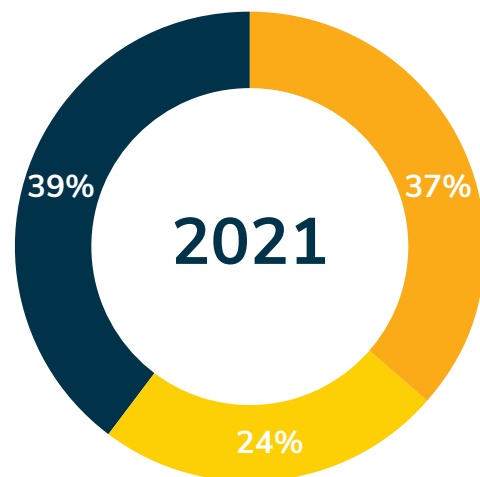
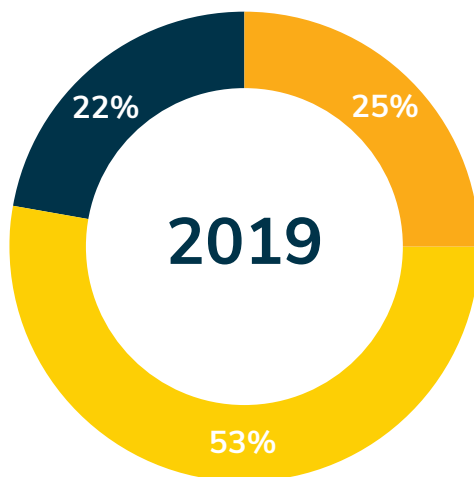


BUYER MOTIVATIONS

Buyers know it when they see it

90% of potential buyers have traveled, or plan to travel, to the location where they want to buy their rental homes. However, you might be surprised how many would be willing to buy a property without first viewing it in-person if it met all of their criteria.

Would you consider purchasing the home without first viewing it in person?



Yes Maybe No

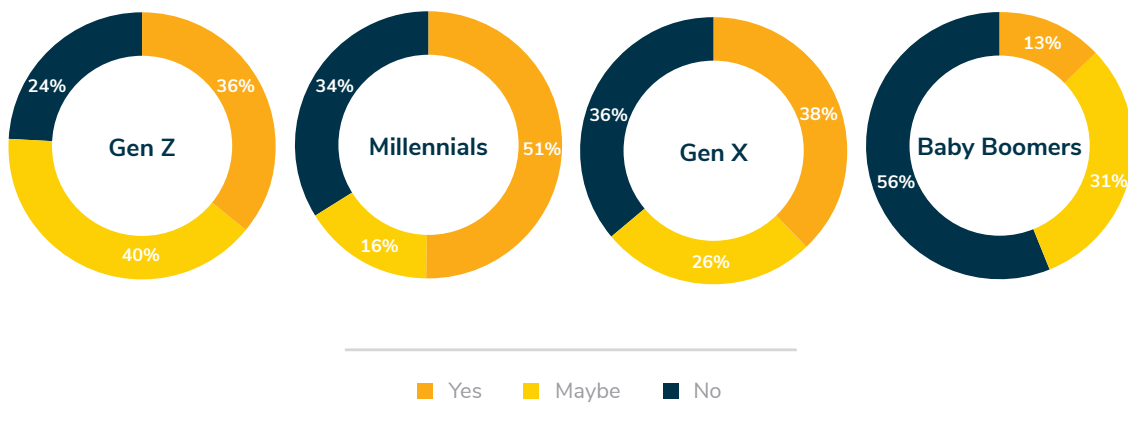
BUYER MOTIVATIONS

Sight unseen investing is generational

Willingness to buy property without first seeing it in person depends largely on the type of buyer and the buyer's generation.

While 39% of buyers say they wouldn't consider buying sight unseen, some will cross over if provided the right information.

Would you consider purchasing the home without first viewing it in person?



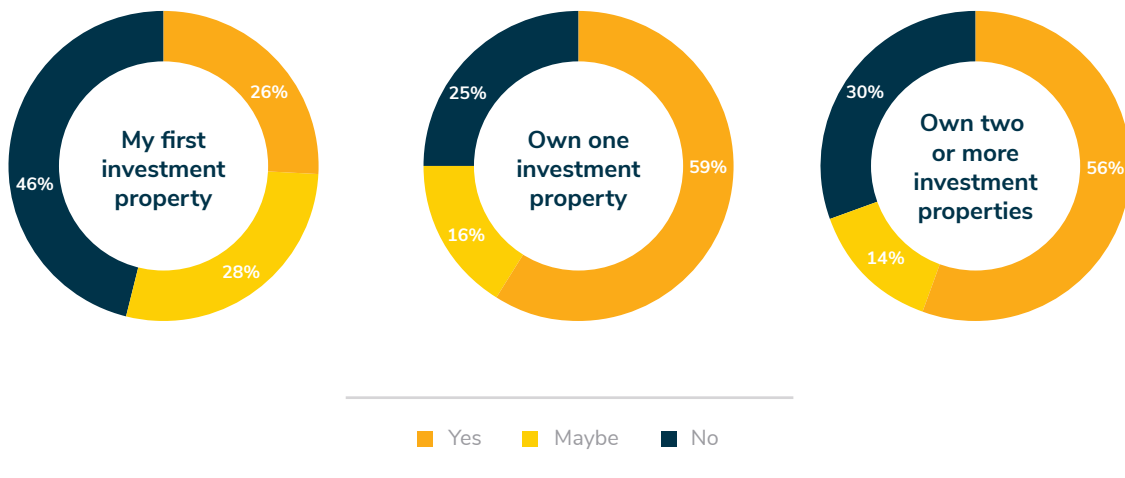
To close sight unseen deals, agents should be prepared to offer clients virtual property tours.

BUYER MOTIVATIONS

Investment experience comes into play

Willingness to buy property without first seeing it in-person also depends on buyer experience. Some 50% of buyers who currently own one investment property would buy sight unseen, if it met their criteria. But 74% who want to buy their first property were unsure or unwilling, even if it met all their criteria.

Would you consider purchasing the home without first viewing it in person?



LOCATION CONSIDERATIONS

Buyers need some R&R

Hobbies, activities, and local attractions matter to buyers when they're choosing where to invest in a vacation rental property. In these stressful times, it's no surprise rest and relaxation and family time remain the top reasons for purchase.

What activities are most important when determining which home to purchase?



78%
Rest & Relaxation



66%
Family Friendly Retreat



46%
Drinking & Dining



45%
Water Sports



44%
Sightseeing



37%
Shopping & Arts



26%
Mountain Sports



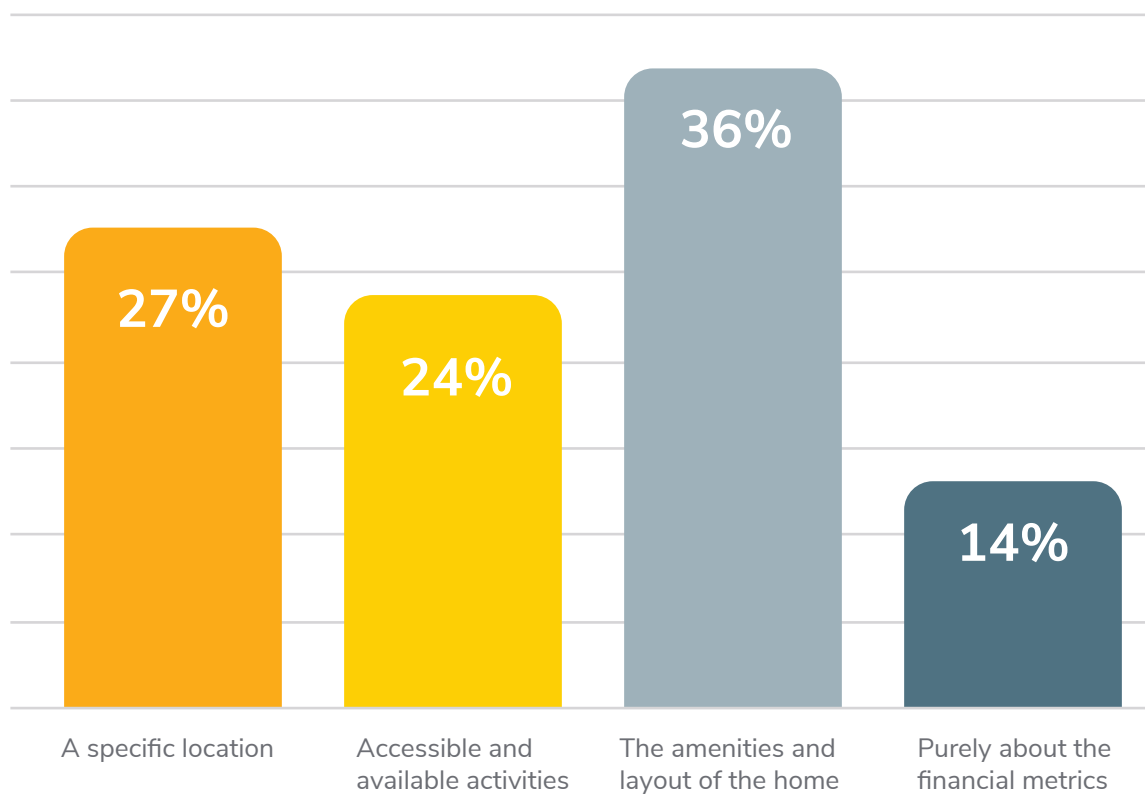
14%
Snow Sports

LOCATION CONSIDERATIONS

Amenities matter most

When picking a home to purchase, location isn't everything. Buyers are looking to the amenities and layout of the home as their deciding factors.

What is the strongest factor driving which home you will purchase?

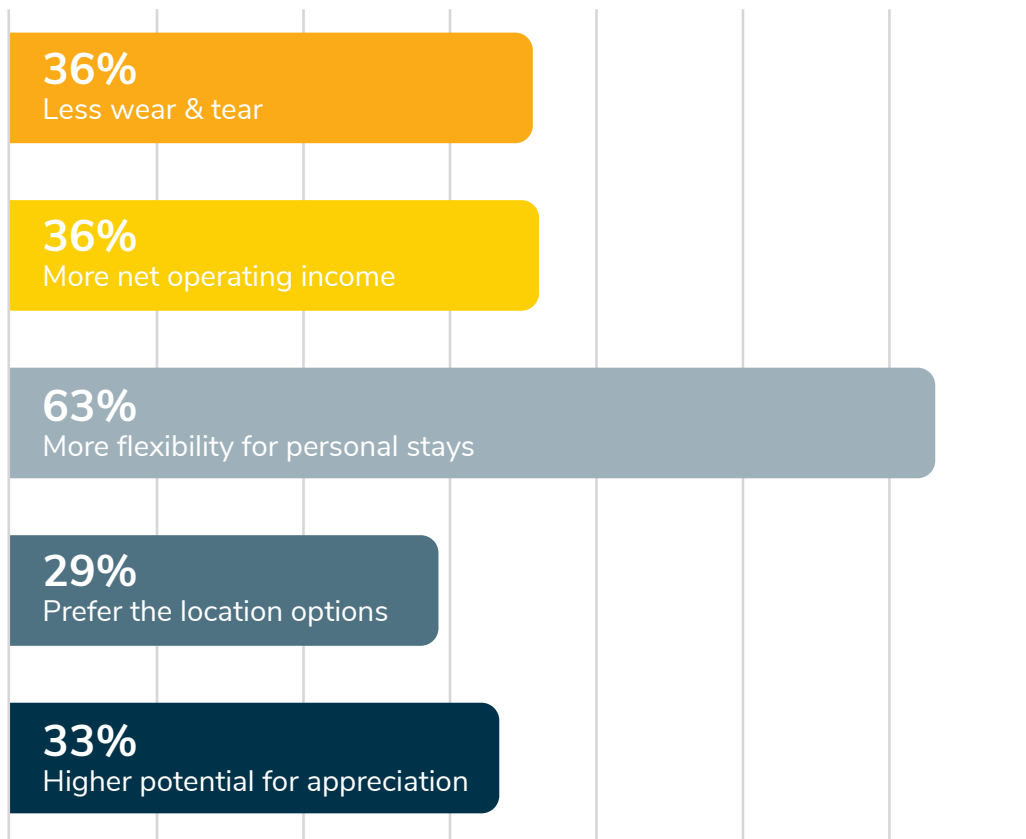


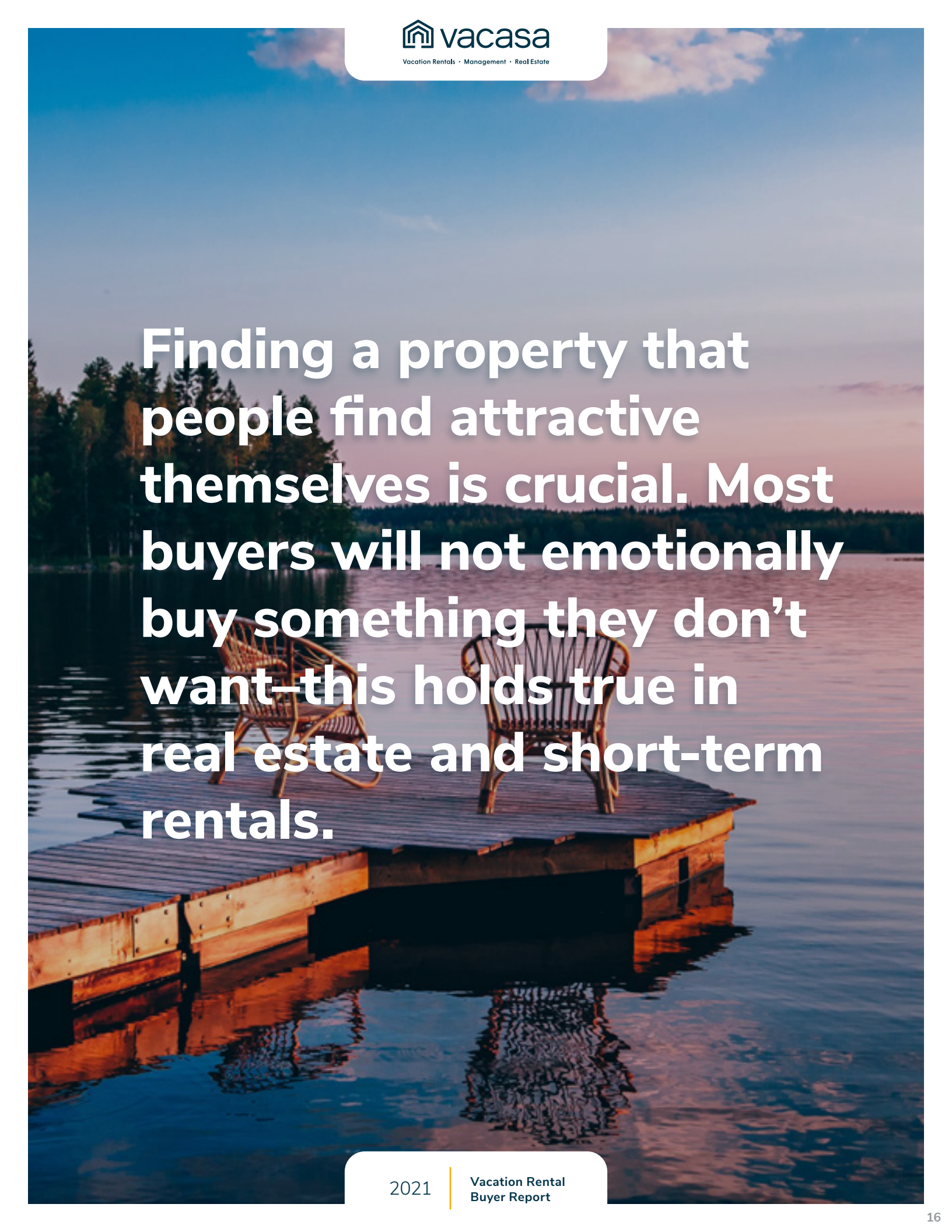
TODAY'S BUYER

Short-term vs long-term

Buyers find short-term rentals more appealing than renting out long-term because it provides more flexibility to personally stay at the property.

What makes a short-term rental more appealing than a long-term rental?





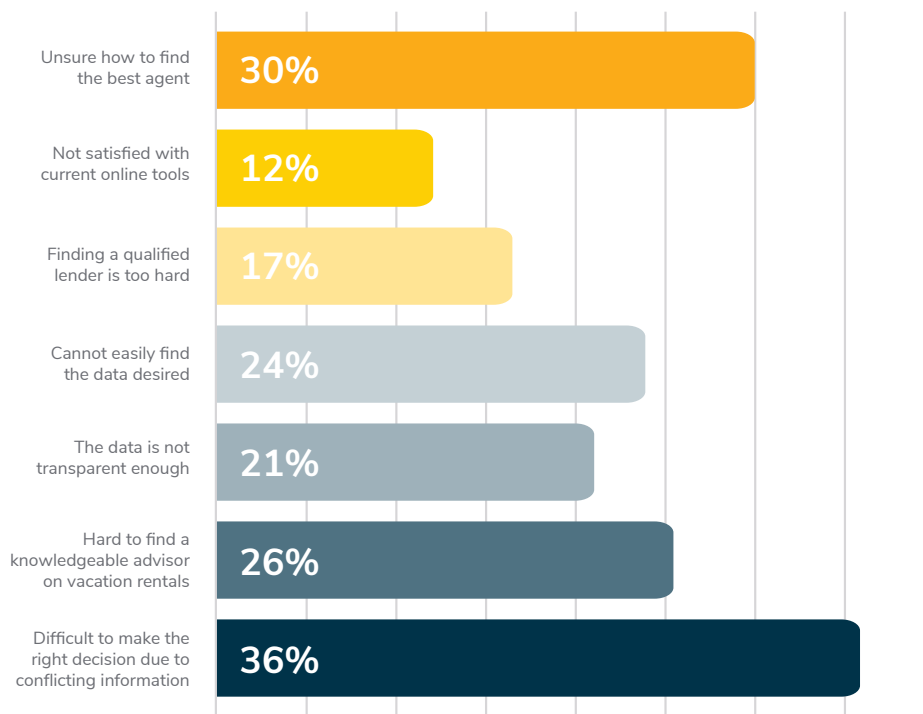
Finding a property that people find attractive themselves is crucial. Most buyers will not emotionally buy something they don't want—this holds true in real estate and short-term rentals.

TODAY'S BUYER

Buyer concerns

What worries buyers? More than a third of buyers feel it's difficult to make the right decision on buying or managing a vacation rental because there is a lot of conflicting information out there. And nearly another third are unsure how to find the best agent for the markets they're interested in.

Which of the following statements do you agree with?



Help is on the way: Buyers need and want help from agents. Partnering with Vacasa can help you fill in those gaps.

Buyer Purchasing Considerations

Budgets & Financing, Location Considerations

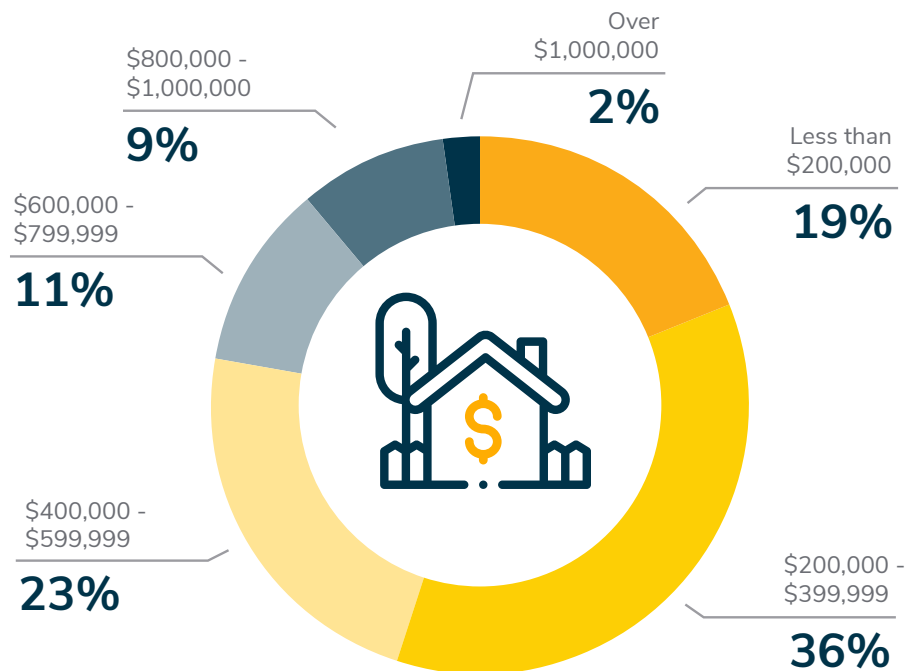


BUDGETS AND FINANCING

Buyers are investing modestly, but will pay cash to do so

Everyone loves a bargain and \$200,000 to \$399,999 is the optimal price range. Yet a full 60% are willing to pay between \$200,000 and \$599,999.

What is the price range that you're considering for your additional home(s)?



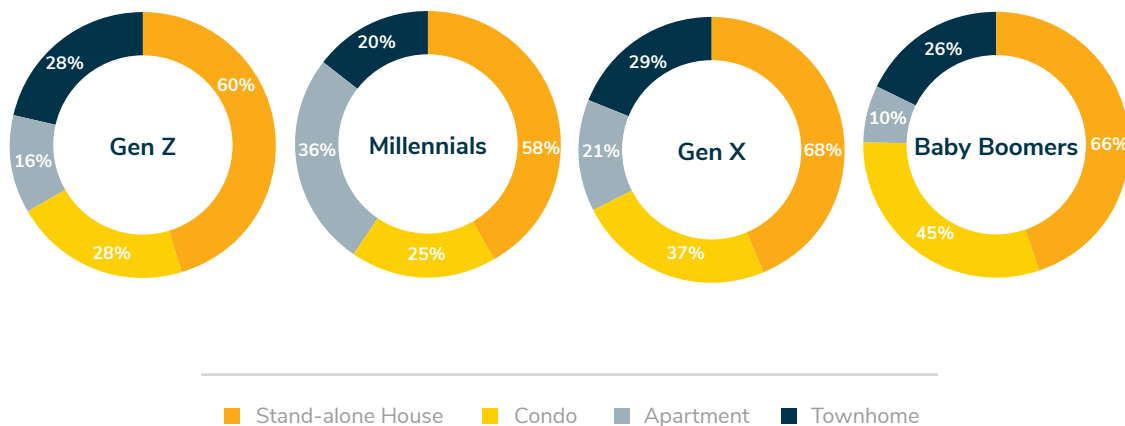
Nearly three-quarters of today's buyers are planning to use **cash** or a **conventional loan** to purchase their vacation rental.

BUYER DESIRES

Stand-alone homes are still preferred

Across generations, stand-alone homes remain the most popular investment. However, millennials are more likely to consider buying an apartment for their investment or vacation rental property, while baby boomers are more likely to consider buying a condo.

Which type of property are you considering buying?



A majority might think they want a stand-alone home. But once they realize the benefit of buying a condo they can be swayed to buy a condo or multi-unit property.

BUYER LOCATION CONSIDERATIONS

Buyers are gravitating towards the coast

The most popular location the majority of buyers seek is near the beach, followed closely by urban and lake destinations.

In which of the following market(s) are you looking to buy a home?



Beach



Urban



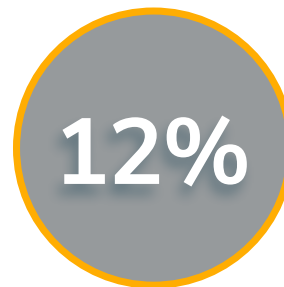
Mountain



Lake



Rural

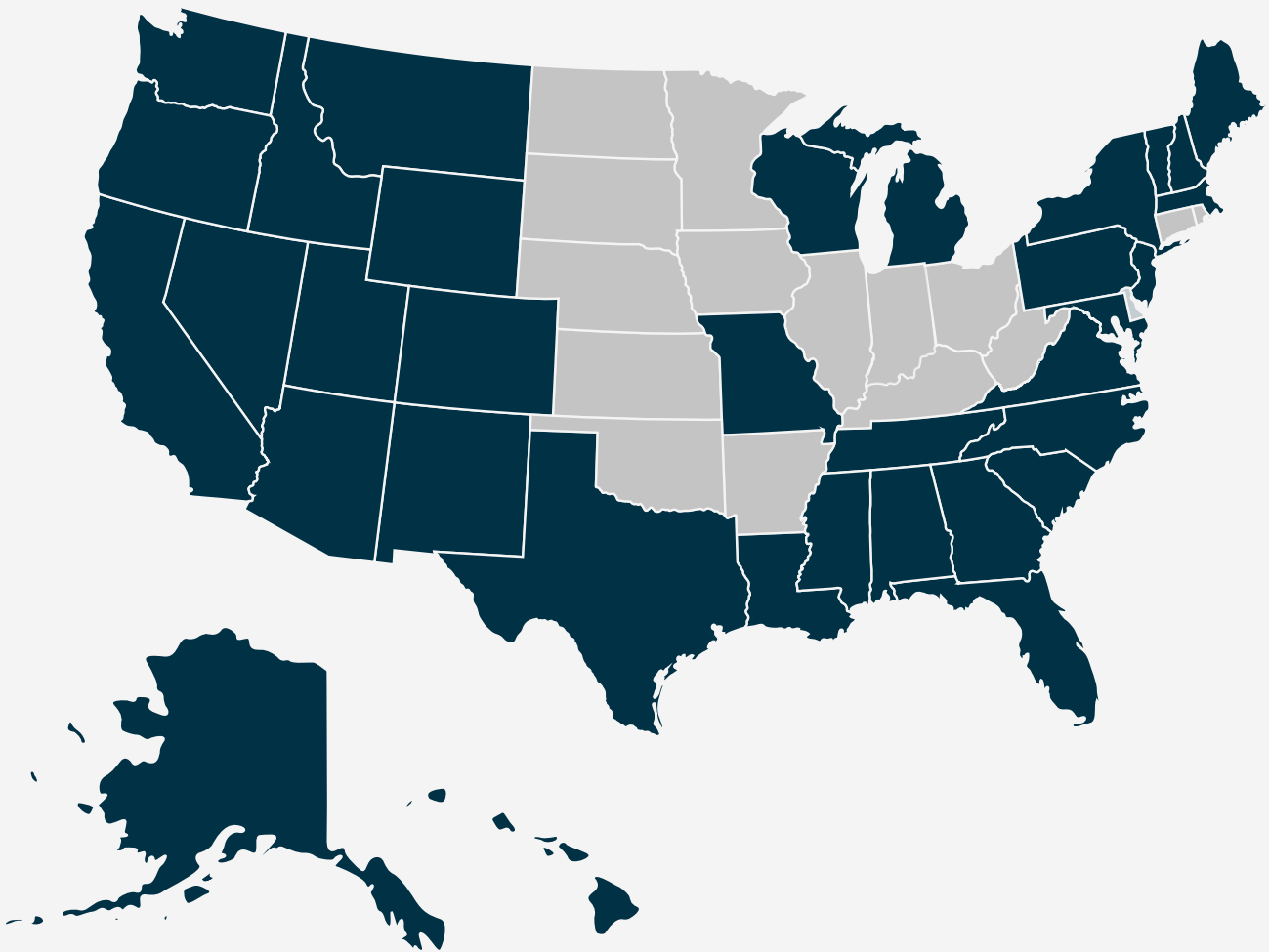


Doesn't matter /
Undecided

BUYER LOCATION CONSIDERATIONS

However, opportunity is everywhere

Even though some buyers prefer a location near the coast, we operate in many states and the ever-changing landscape of vacation rentals presents a worthwhile opportunity everywhere.

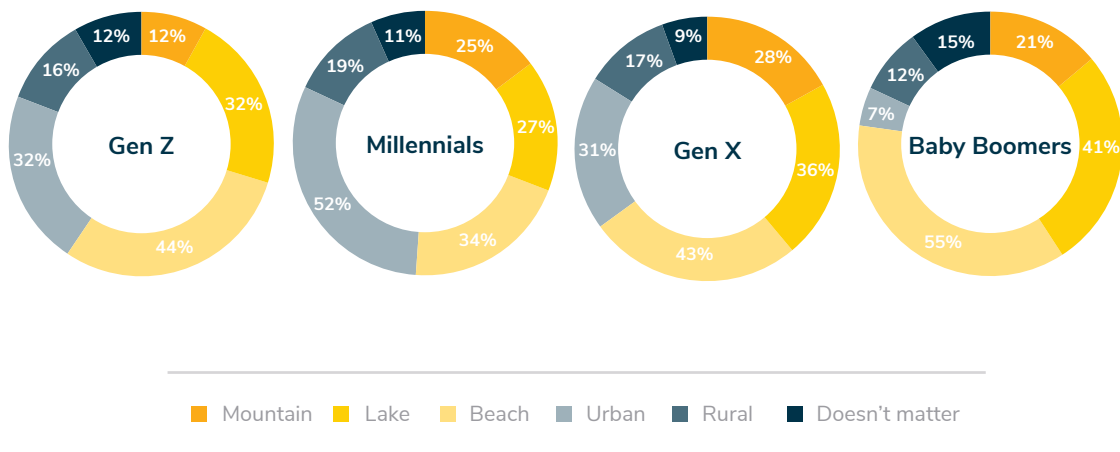


BUYER LOCATION CONSIDERATIONS

Millennials want urban living

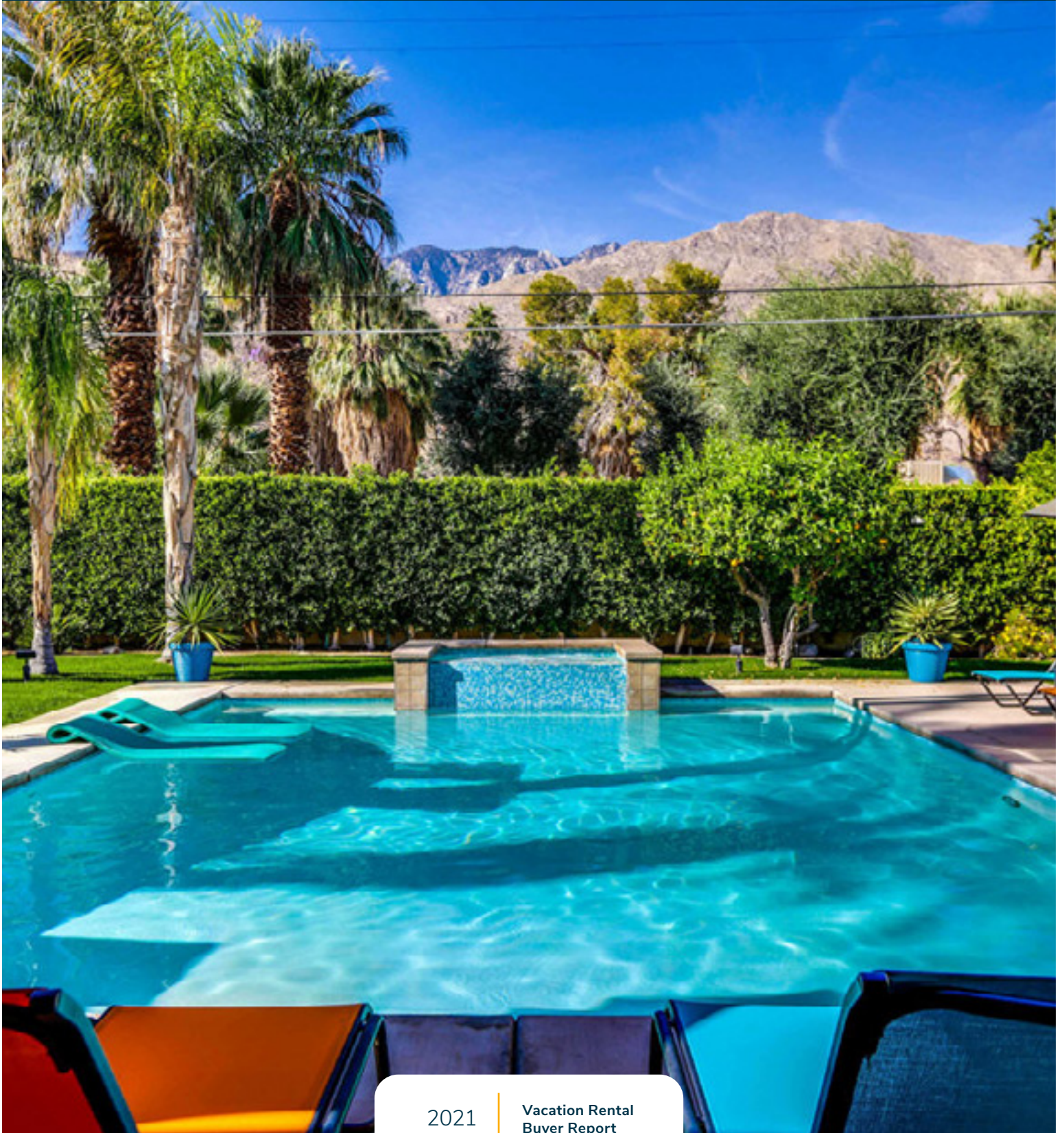
Like property type, property location preferences also vary among the generations. A majority of millennials are more likely to choose urban environments (52%), while baby boomers are more interested in beach markets (55%).

In which of the following market(s) are you looking to buy this home?



Choosing An Agent

Market Knowledge, Tools & Data

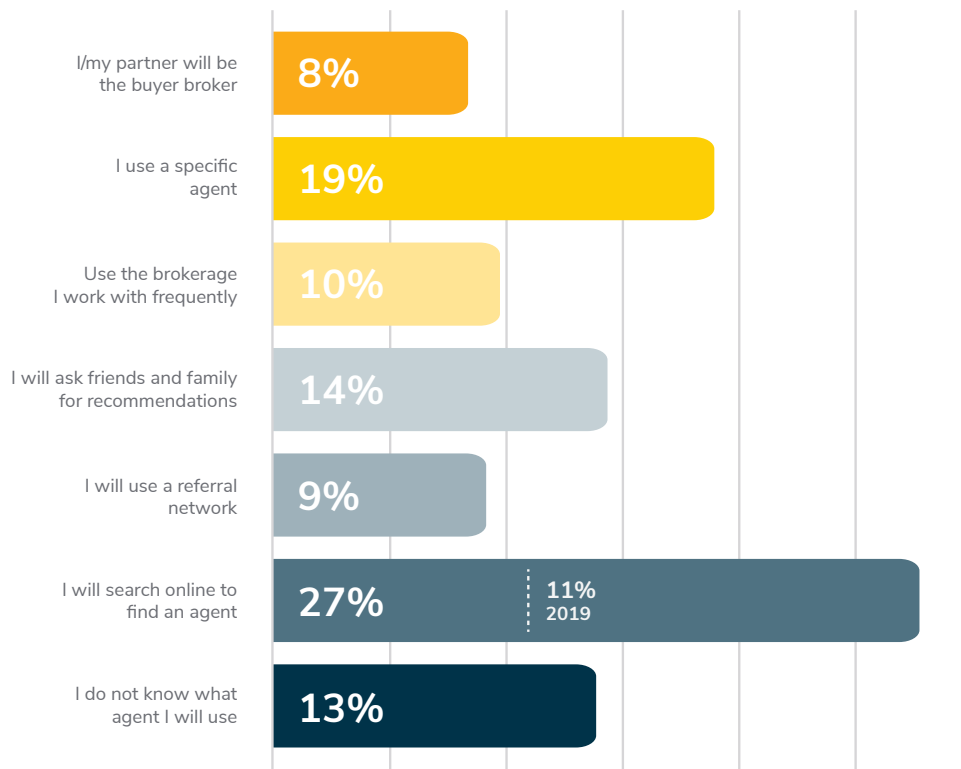


BUYER AGENT CONSIDERATIONS

Convenience is crucial

When looking for an agent, buyers want convenience and familiarity above all, with a significant increase seen in buyers searching online for an agent.

How will you find a broker for this purchase?



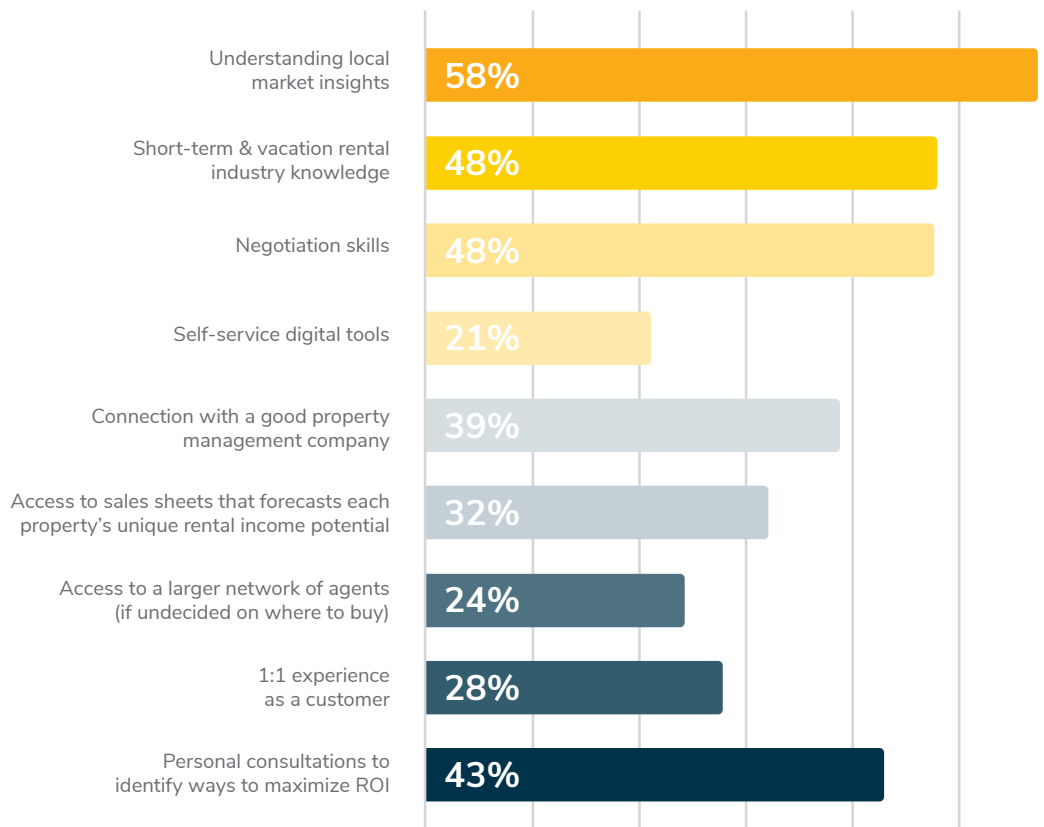
Make yourself known: Agents need to make sure their websites are searchable and professional. Even with referral networks, buyers and sellers verify you by your online presence.

CHOOSING AN AGENT

What buyers really want from a real estate agent

Buyers want a partner who can help them make an informed investment. When searching for an agent, local market knowledge reigns supreme, followed by short-term and vacation rental industry knowledge.

Which of the following would be important to you when choosing an agent for these types of purchases?



CHOOSING AN AGENT

Different generations, different needs

Baby boomers and Gen X both want agents with short-term and vacation rental experience, plus an understanding of the local market. Millennials value local market insights and negotiation skills.

Which would be most valuable while searching for a short-term rental property to purchase?

Baby Boomers

70%

Understanding local market insights

65%

Short-term & vacation rental industry knowledge

When choosing an agent, baby boomers are most likely to say that finding someone with short-term and vacation rental industry knowledge along with an understanding of local market insights is important to them.

Gen X

58%

Understanding local market insights

49%

Short-term & vacation rental industry knowledge

These are the top two important factors selected by Gen X as well.

Millennials

52%

Understanding local market insights

51%

Negotiation skills

Most millennials say that understanding local market insights and having negotiation skills are important to them when choosing an agent.

Gen Z

44%

Short-term & vacation rental industry knowledge

40%

Negotiation skills

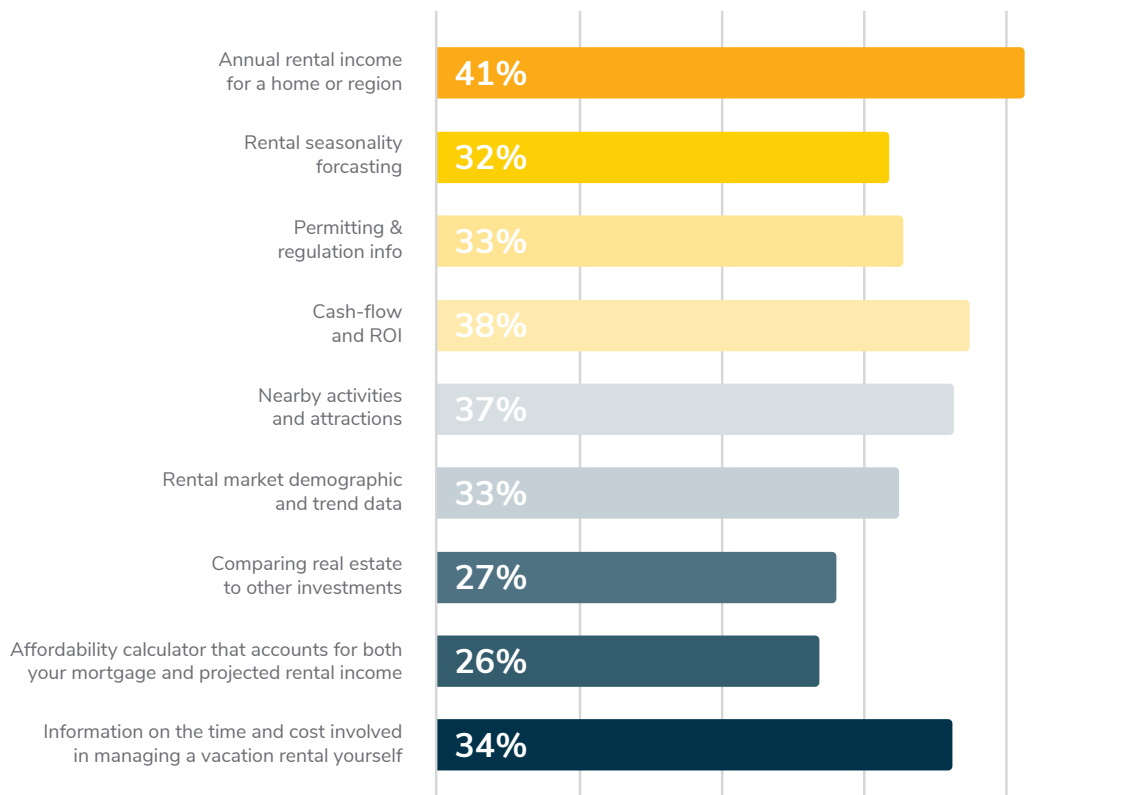
Gen Z valued finding someone with short-term and vacation rental industry knowledge as most important, with negotiation skills and 1:1 experience as a customer second.

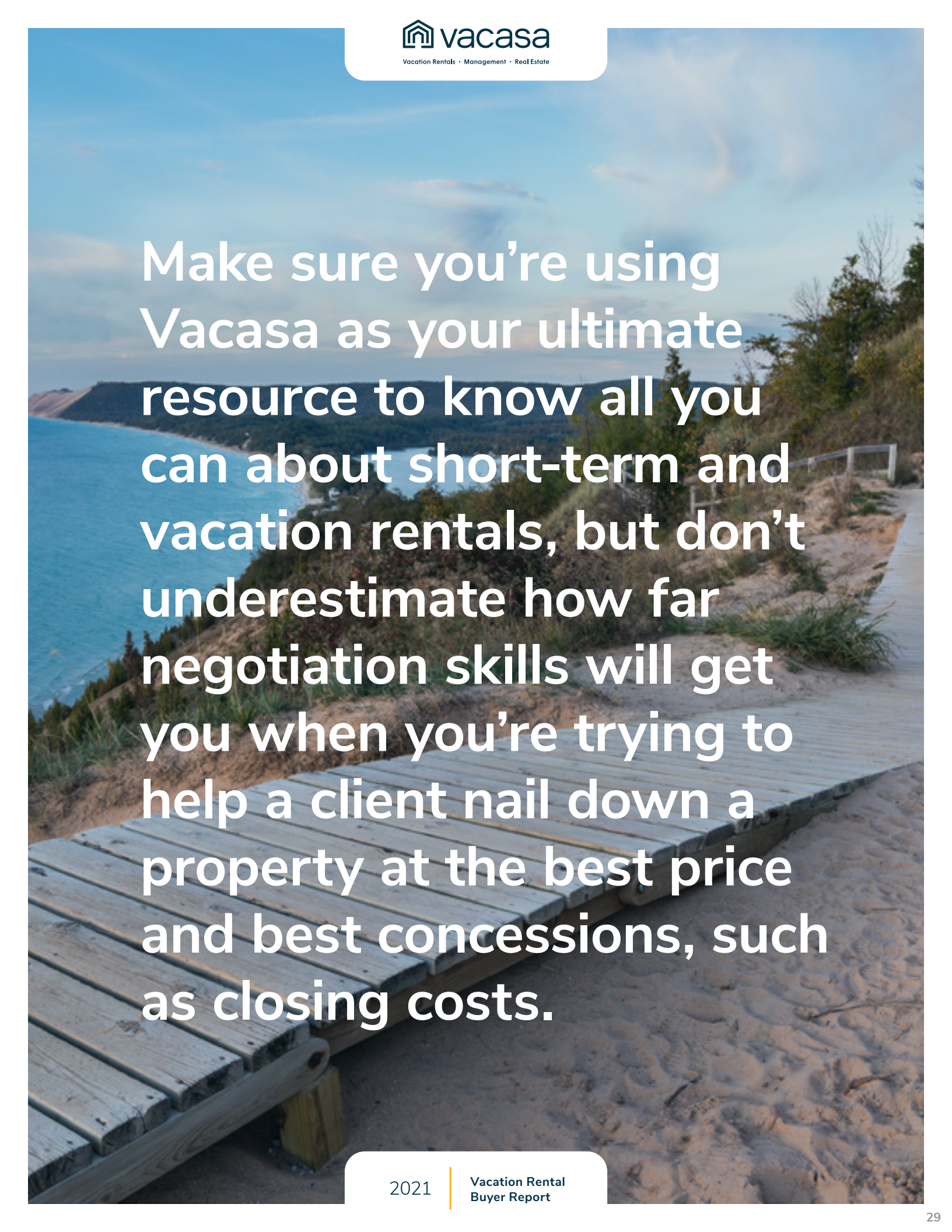
CHOOSING AN AGENT

Buyer agent tools and considerations

Buyers need the tools and institutional knowledge only qualified agents can provide. They need help finding the right markets, properties, and amenities for their goals. Their demands and expectations here are spread fairly equally.

Which three would be the most valuable while searching for a short-term rental property to purchase?





Make sure you're using Vacasa as your ultimate resource to know all you can about short-term and vacation rentals, but don't underestimate how far negotiation skills will get you when you're trying to help a client nail down a property at the best price and best concessions, such as closing costs.

Top Takeaways

Buyers are looking for expert advice

40% of buyers plan to rent their property out short-term, but a majority of buyers (60%) are undecided if they will rent their property long-term or short-term. These unsure buyers would benefit from the help of an agent.

Vacation rental buyers need to see the property in person

Respondents who are on the fence about whether or not they would buy an investment rental property without first seeing it in person, despite the property meeting all of their criteria, are primarily those looking to buy a vacation rental (68%).

Buyers are looking for maximum ROI

The main financial metric buyers are using to evaluate their home purchase is the potential to gain appreciation on the property (54%), followed by optimal cash flow (37%).

Investment property buyers are interested in cities

Though beach markets are amongst the most popular for vacation rental buyers, buyers that are looking to purchase an investment property versus a vacation home are most interested in urban (51%) markets, followed by beach property (27%).

2020 made buyers rethink the amount of support they want

COVID-19 has impacted what buyers want from their agent. 31% say they now want access to full-service rental support post-purchase, such as rental/property management and 27% want increased investment projections and/or market analysis, such as rental income estimates.

Buyers want an agent who's engaged and informed

When choosing an agent, nearly 60% of buyers say it's important for them to understand local market insights (58%), followed by having short-term and vacation rental industry knowledge (48%) and negotiation skills (48%).

Buyers want well-connected agents

39% of buyers want an agent who can connect them with a good property management company.

ABOUT VACASA

Always investing in vacation

Vacasa is North America's leading vacation rental management platform with more than 30,000 homes under management throughout the U.S., Canada, Mexico, Belize and Costa Rica. Not only do we provide unbeatable care for our homeowners and exceptional vacation experiences for our guests, we also work with agents like you to provide the data and insights to make it possible for vacation rental buyers need to make an informed decision on their investment.

Through Vacasa's Expert Agent Network, we help real estate professionals across the country tap into the vacation rental market through our industry-leading data and insights. By partnering with Vacasa, agents are equipped with the knowledge and approach to service vacation rental buyers and their unique needs—no matter where they hold their license.



Partner with us

Our Expert Agent Network offers exclusive access to sales tools and resources to help you deepen your expertise and sell more vacation homes.

[Learn more](#)



Work with us

With brokerages across the country, we are looking for ambitious agents to join our team.

[Learn more](#)



Invest with us

Whether you are looking to buy or sell a vacation property, we are here for you.

[Learn more](#)

If you have any questions for our experts, contact us at: realestate@vacasa.com



realestate@vacasa.com

vacasa.com/real-estate

Methodology: Vacasa surveyed 700 US consumers over the age of 18 who are in the market to buy a new property in the US, in addition to their primary residence, as either a vacation rental property or an investment property. All respondents either plan to rent out this additional property short-term or are undecided if they will rent it out short-term or long-term. Fielding was conducted by FocusVision and took place in March 2021.

Vacasa offers property management and other real estate services directly through Vacasa LLC and through Vacasa LLC's licensed subsidiaries. [Click here](#) for more information about Vacasa's licensed real estate brokerage/property manager in your state. Vacasa's licensed real estate brokerages/property managers include: Vacasa Alabama LLC; Vacasa Arizona LLC; Vacasa Delaware LLC, 302-541-8999; Vacasa Florida LLC; Vacasa Louisiana LLC, Dana MacCord, Principal Broker, ph 504.252.0155 (Licensed in LA); Vacasa Michigan LLC, 947-800-5979; Vacasa Nevada LLC; Vacasa New Hampshire LLC, P.O. Box 283, Conway NH 03818, Dave Grant, Broker of Record; Vacasa New Mexico LLC, 503-345-9399; Vacasa New York LLC, 888-433-0068, Susan E. Scanlon, Real Estate Broker; Vacasa North Carolina LLC; Vacasa Pennsylvania LLC; Vacasa Real Estate Corporation, California DRE #02105811, Joseph Czapkowitz, California DRE #01380722; Vacation Palm Springs Real Estate, Inc., California DRE #01523013, Joseph Czapkowitz, California DRE #01380722; Vacasa Real Estate LLC (licensed in Colorado, Daned Kirkham); Vacasa Real Estate LLC (licensed in Idaho and Oregon); Vacasa Real Estate LLC (licensed in Tennessee, 615-671-9916); Vacasa Real Estate LLC (licensed in Texas, Debra Brock, Designated Broker); Vacasa Real Estate LLC (licensed in Washington, Robert Brush, Designated Broker); Vacasa South Carolina LLC; Vacasa Tennessee LLC; Vacasa Vacation Rentals of Hawaii LLC, 3350 Lower Honoapiilani Road, Suite 600, Lahaina, HI 96761; Vacasa Vacation Rentals of Montana LLC, Patrice Tompkins, Licensed Property Manager; Vacasa Virginia LLC; Vacasa Wisconsin LLC; Vacasa Wyoming LLC. In Canada, this advertisement is provided by Vacasa Canada ULC, CPBC lic. number 75826, 172 Asher Rd. V1X 3H6 Kelowna, BC.