



2019 Vacasa Vacation Rental Buyers Report



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Introduction

In today's sharing economy, demand for short-term rentals is skyrocketing, sparking new buyer expectations and redefining what it means to be an agent and broker. As the space continues to heat up, agents and brokers with vacation rental and urban short-term rental expertise are in increasingly high demand.

Becoming an expert in short-term rental real estate starts with understanding modern buyers—and what they need from a real estate partner. But until now, there hasn't been much data available about this segment.

Vacasa conducted the first large-scale study specifically focused on the vacation rental buyer. We surveyed 721 people who are actively in the market to buy a vacation rental property about their mindsets, behaviors, and challenges as they navigate this rapidly changing terrain.

Featured in:

Forbes

The
New York
Times

inman

BUSINESS
INSIDER

● USA TODAY

Executive summary

Short-term rental buyers want a business consultant with local market expertise

Due to inconsistent information about everything from local regulation to income potential, short-term rental buyers need agents who can play the role of data expert, as nearly half of today’s buyers see their purchase primarily as an investment.

More than a quarter of the buyers we surveyed are looking to buy multiple vacation rentals, and for many, this will be their third, fourth, even fifth vacation rental property, challenging the notion that vacation rentals are the purview of second homeowners just looking to cover costs.

Today’s buyers are investing in a business, yet they lack the tools and clarity to make an informed decision. They are looking for real estate partners who can provide both local and industry analysis, as well as the financial know-how to factor in variables like investment return.

Modern buyers expect:

Tools

Modern vacation rental buyers expect their agent to have access to reliable technology for analyzing cash flow and calculating ROI.

Insights

When ranking what they look for in an agent, vacation rental buyers say “local market insights” are more important than traditional necessities, such as “negotiation skills” and “customer service.”

Data

Buyers need accurate rental revenue estimates to determine potential ROI, and they expect agents to have access to that—and a lot more—data.

Many buyers are choosing vacation rentals over other investments because of the potential for higher returns and flexibility to use the home. The opportunity for agents lies in that the majority of prospective buyers have not yet chosen an agent or broker as their partner in selecting the best vacation rental for them.

We’re excited to share some key insights that shed light on the vacation rental buyer in today’s market and that our report can help you succeed in this growing sector.



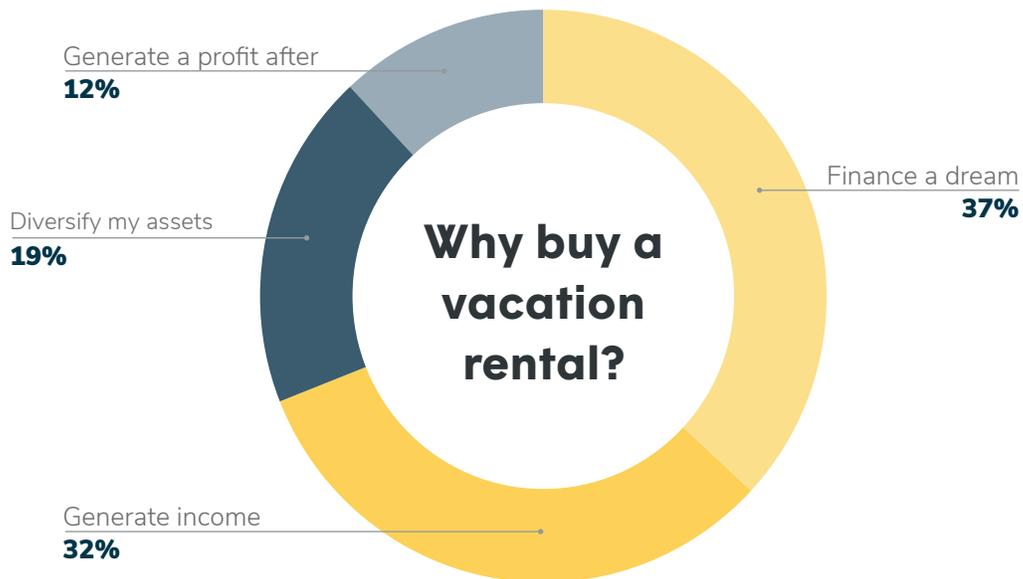
About today's buyer

Buyer motivations

Why buy a vacation rental?

Today's vacation rental buyers are excited at the prospect of affording a dream property that can produce positive cash flow—and that they may, one day, call home. 37% of buyers rank this as a number one priority in their purchase decision.

Secondarily, buyers are looking at their vacation home as a way to generate additional income streams. 32% of respondents rank this as a number one priority.



Revenue > equity:

In vacation rental real estate, buyers prioritize the revenue they can generate today over long-term equity potential. Be sure to provide tools to help them accurately estimate that revenue.

The percentage of buyers focused primarily on ROI varies by age: 61% of those buying in their 30s are investor buyers.

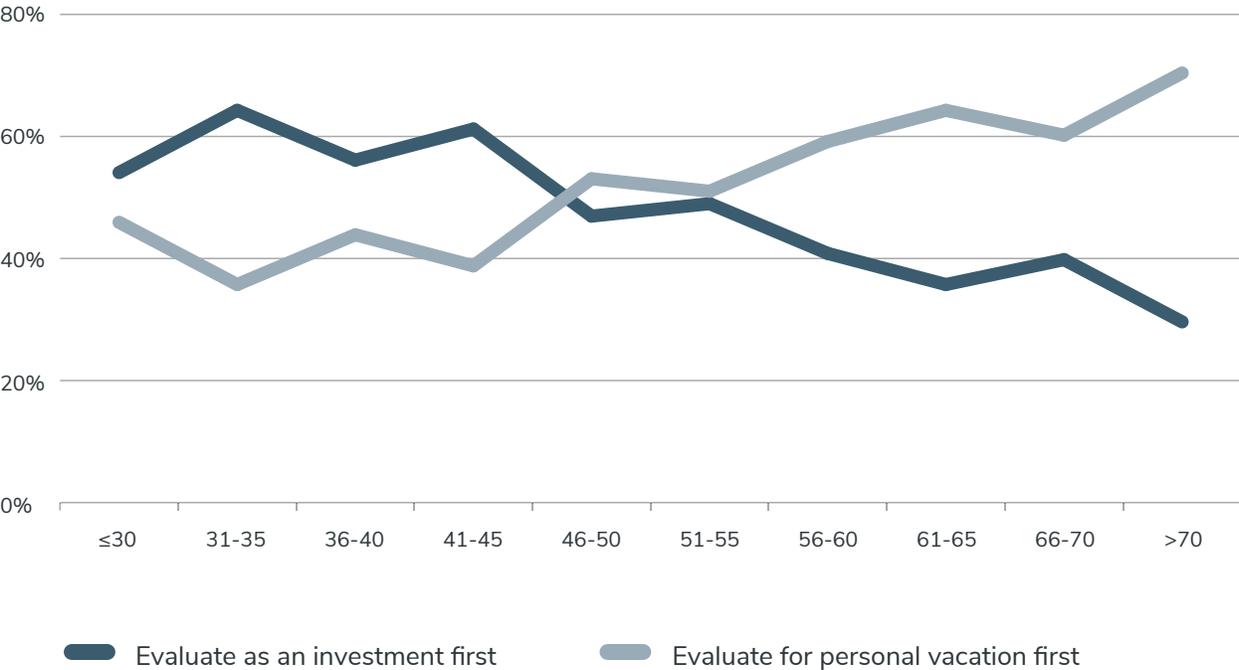
Buyer motivations

Investment priorities decrease with age

Different demographics have different financial and lifestyle goals when they purchase a vacation rental. It's important to uncover your buyer's goals, and make no assumptions.

Purchase intent vs. age

Q: How old are you, and what is your primary reason for buying?



Know your buyer:

Vacation rental buyers' priorities change sharply in their mid-50s. When engaging a buyer who falls in this age range, help them clarify their current—and near future—intent.

Buyer concerns

They're buying a home that's also a business

38%

of vacation rental buyers say, "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"

72%

of buyers say it is "extremely important" or "very important" for their agent to have knowledge on the vacation rental industry overall

61%

of vacation rental buyers feel it is "extremely important" for their agent to have local insights on vacation rental markets

60%

of buyers expect to find local insights directly on an agent/broker website—more than any other form of marketing, including search engines



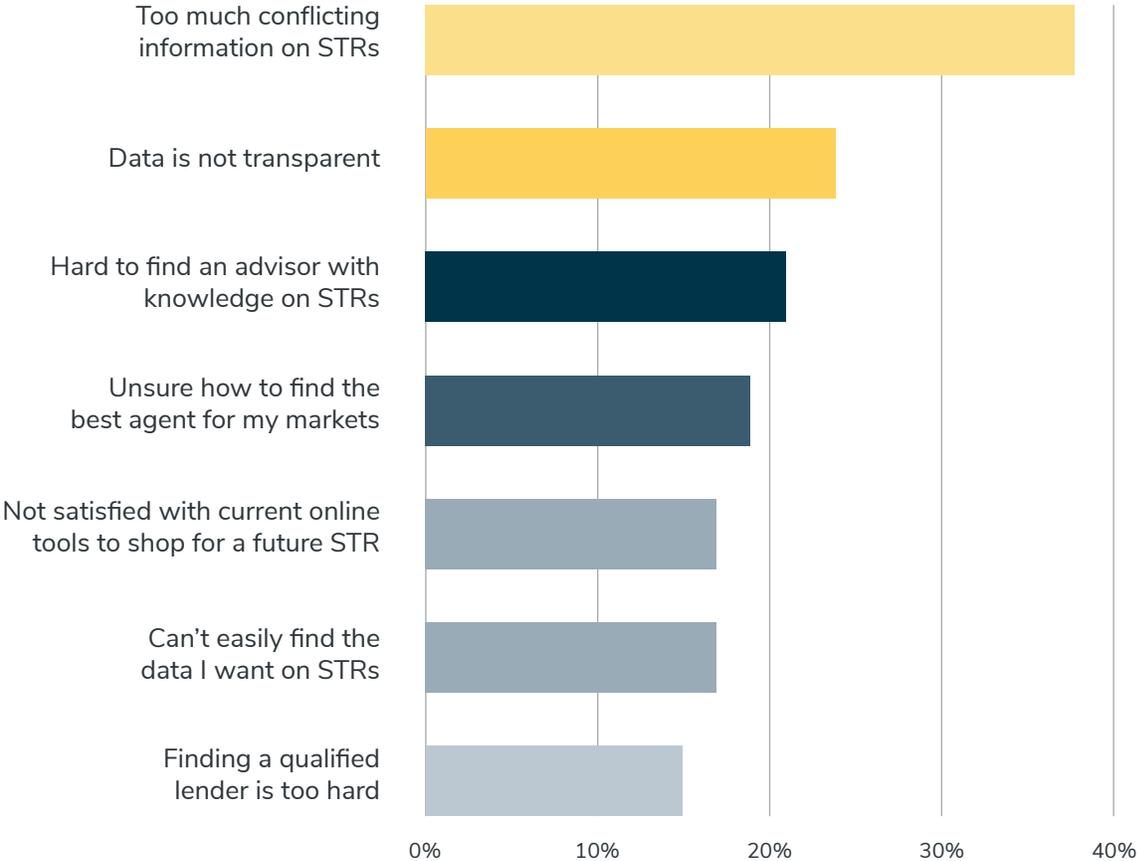
Inspire confidence:

Support any claims or analysis with data generated by the most advanced industry technology.

Buyer concerns

Information about the industry is unclear

Buyers are looking for a real estate agent with credible insider short term rental (STR) industry information and clear data about the markets and properties that appeal to them.

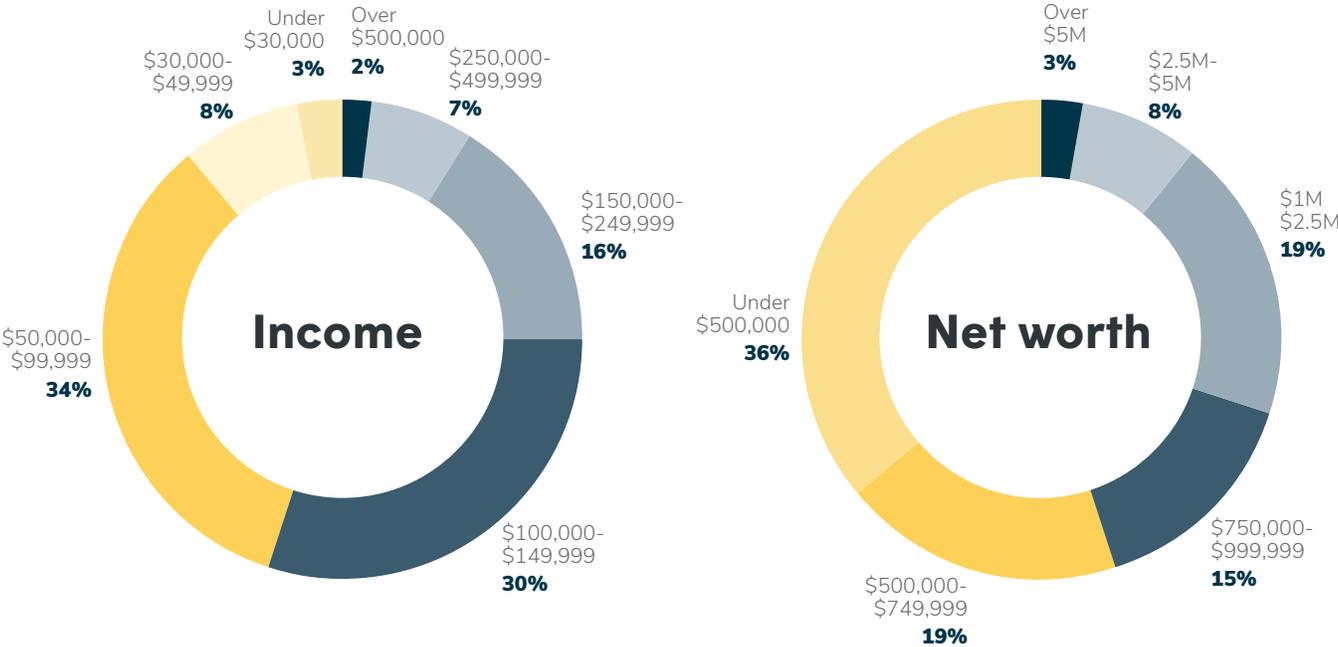


Provide clarity: Know your market and be sure to have clear answers about permitting, regulation, taxes, and income projections.

Buyer profile

Buyers are largely middle-class

We talk to a lot of potential buyers who think investing in a vacation home is out of reach. But, more often than not, that simply isn't true. 75% of prospective vacation rental buyers are middle- to upper-middle-class, with a combined family income of less than \$150k per year.



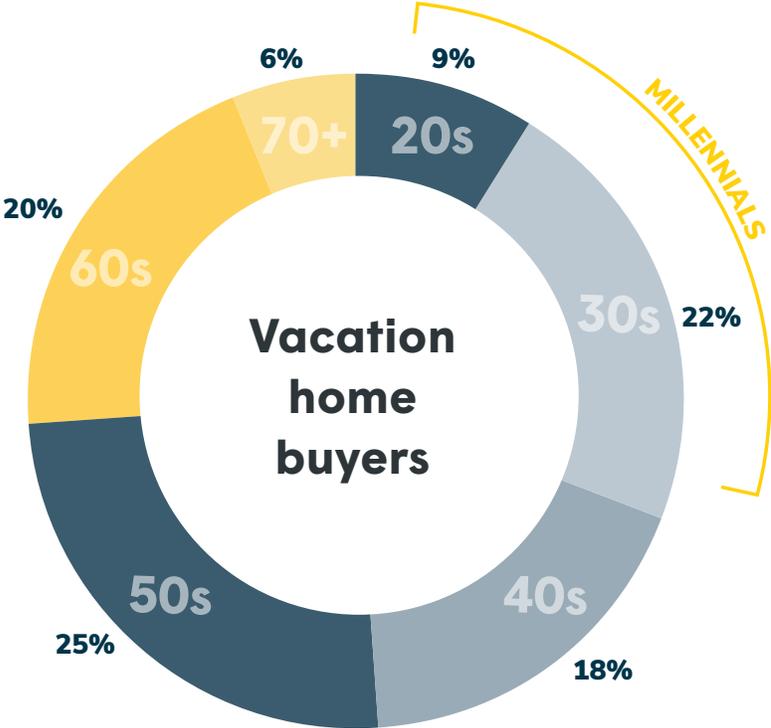
Ease their fears:

Vacation rentals are a more common investment than your clients might think. The majority of today's buyers are middle-class, and you have the data to prove it.

Buyer profile

They're surprisingly all ages

Over a quarter of prospective vacation rental buyers are in their 20s and 30s. This new generation of investors is looking to cash in on the sharing economy and capitalize on the vacation rental boom.



Broaden your audience:
Be sure to consider younger, income-driven buyers when developing your marketing plan.

Buyer profile

Buyers need a break

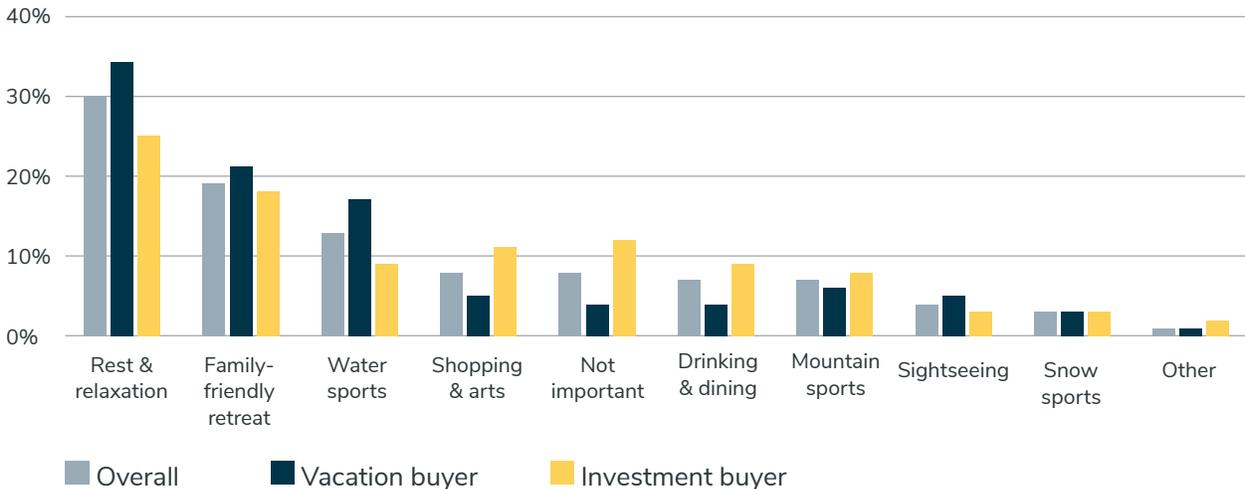
Whether today's buyers see their upcoming vacation rental purchase as purely an investment or a mixed-use family getaway, they have one thing in common: they're looking for a little peace and quiet.

"Rest & relaxation" is the most important activity in determining which home buyers purchase. There's a business case for wanting a quiet getaway.

We have found that over 50% of all travelers want a place to unplug when taking a trip with a significant other. The universal appeal of rest and relaxation helps vacation homeowners drive bookings and build equity.

Recreational activities that drive home purchase

Q: What activity, if any, is the most important to you when determining which home to purchase?



Tranquility sells:

Vacation homes that deliver peace and privacy appeal to more buyers and guests, increasing revenue potential and making the property easier to sell down the road.

Buyer profile

They've done this before

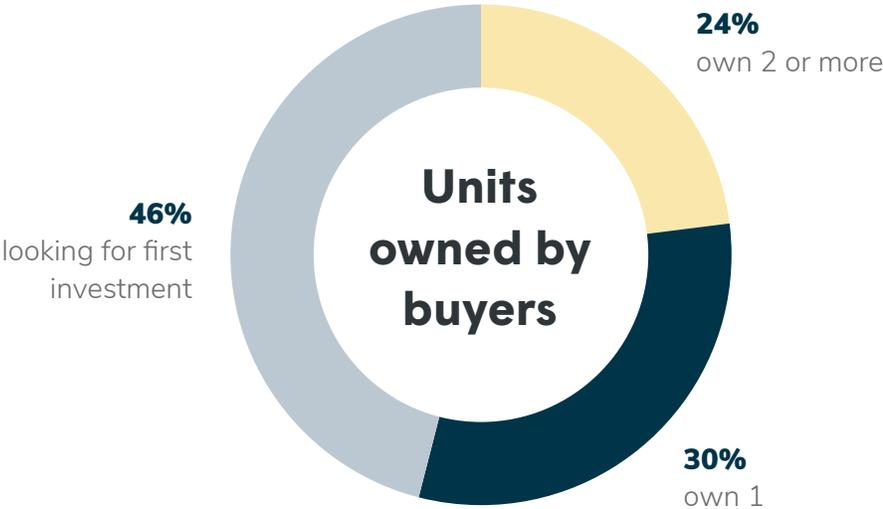
Many buyers recognize a good thing when they see it. They trust first-hand experiences as guests in a market and will invest in a location when the data adds up.

26%

of all buyers surveyed are looking to buy two or more vacation rentals

96%

have previously visited the places where they prefer to buy



Cut to the chase:

The majority of vacation rental buyers already own a second home, and over a quarter of them are in the market for multiple rental properties. Be sure to articulate how you can use your local expertise to help them round out their portfolio.

Buyer profile

Nearly one quarter are willing to buy a vacation rental sight unseen

It's not uncommon for buyers to assess the data in consultation with their agent, then purchase a property without ever stepping foot in it.

Q: If you found or were provided a home that fit all your criteria, would you consider purchasing the home without first viewing it in person?



All vacation home buyers



Show them what matters:

Many buyers will never set foot in their properties. They're purely investors. Leveraging data like custom rental projections, cap rate, expert insights into local regulations and amenity value, etc., will help you close more sales.



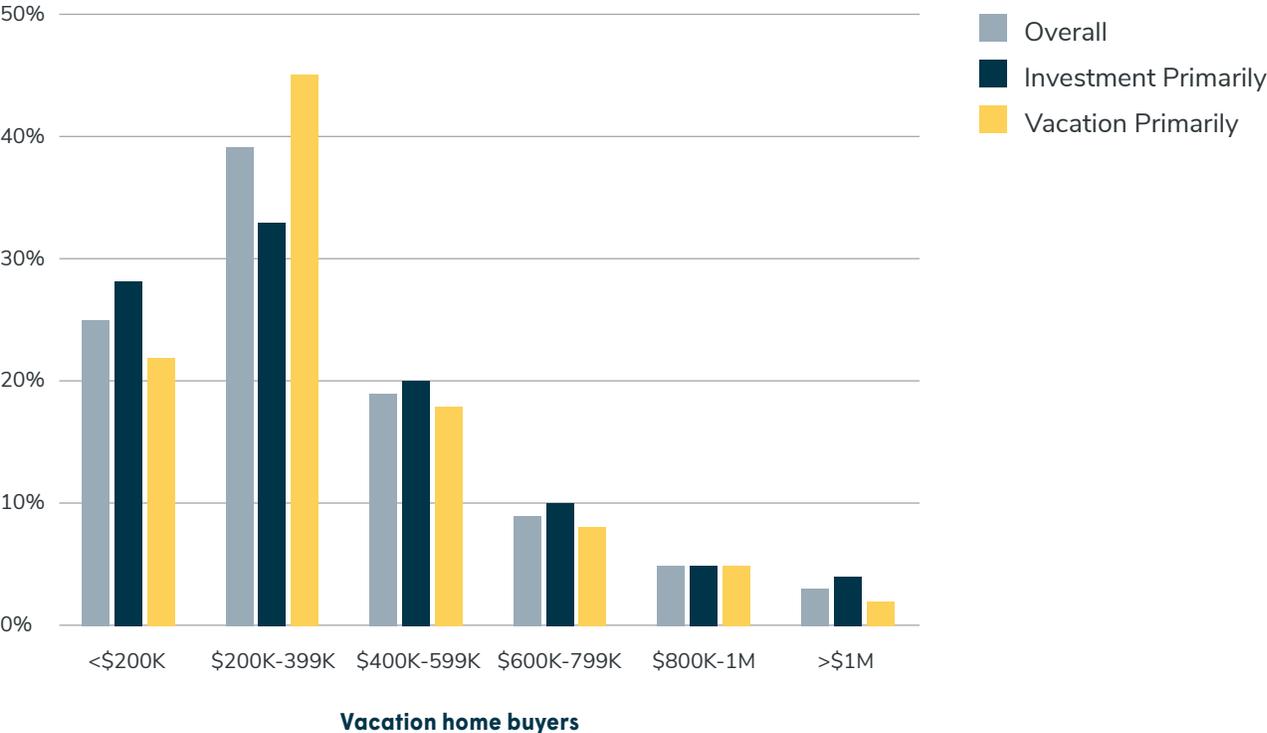
Buyer purchasing considerations

Budgets & financing

Buyers can, and do, make relatively modest investments

No matter how they plan to use their vacation rental properties, the majority of today's buyers are budgeting in a relatively modest range, with 64% planning to pay under \$399k.

Intended purchase price

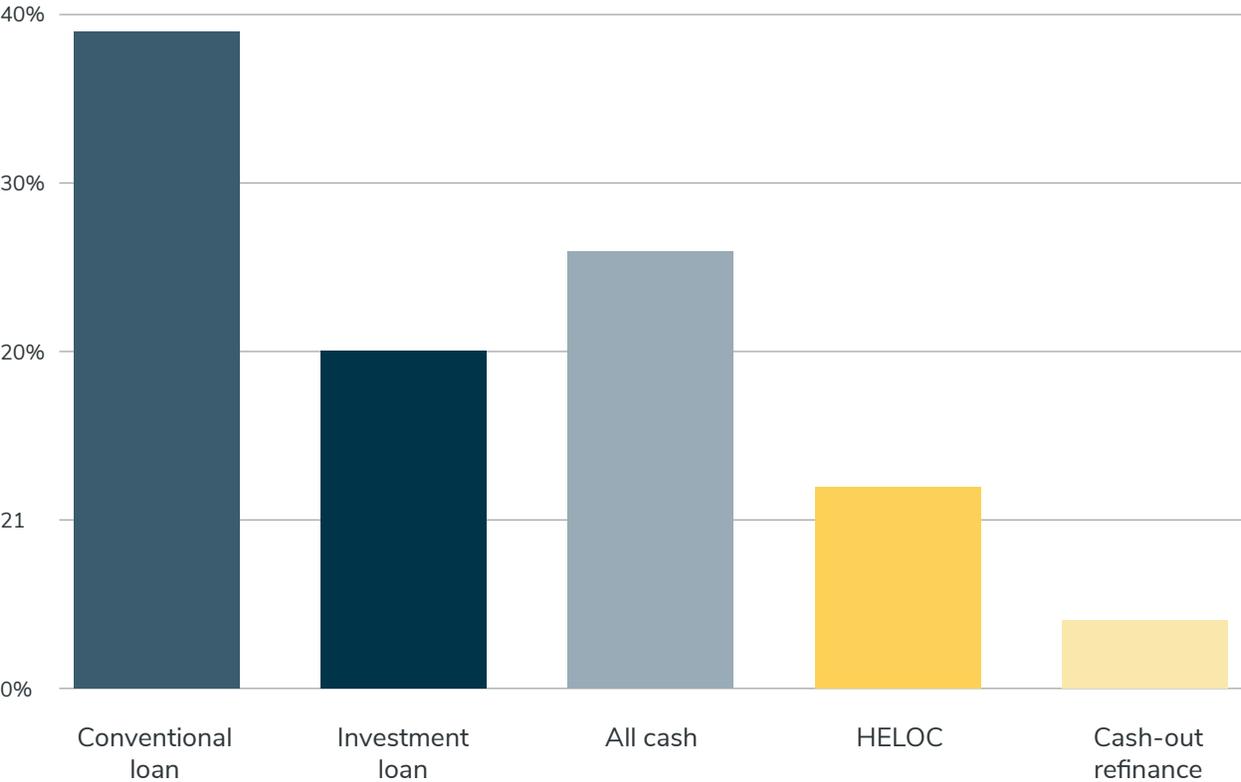


Focus on what matters:
A modest budget often means the buyer has to “give up” something that they want. Make sure to focus on features that will provide ROI as a vacation rental.

Budgets & financing

Most plan to finance

Nearly three-quarters of today's buyers are planning to use some form of financing to purchase their vacation rental. The rest expect to pay in all cash.



Show them the way:

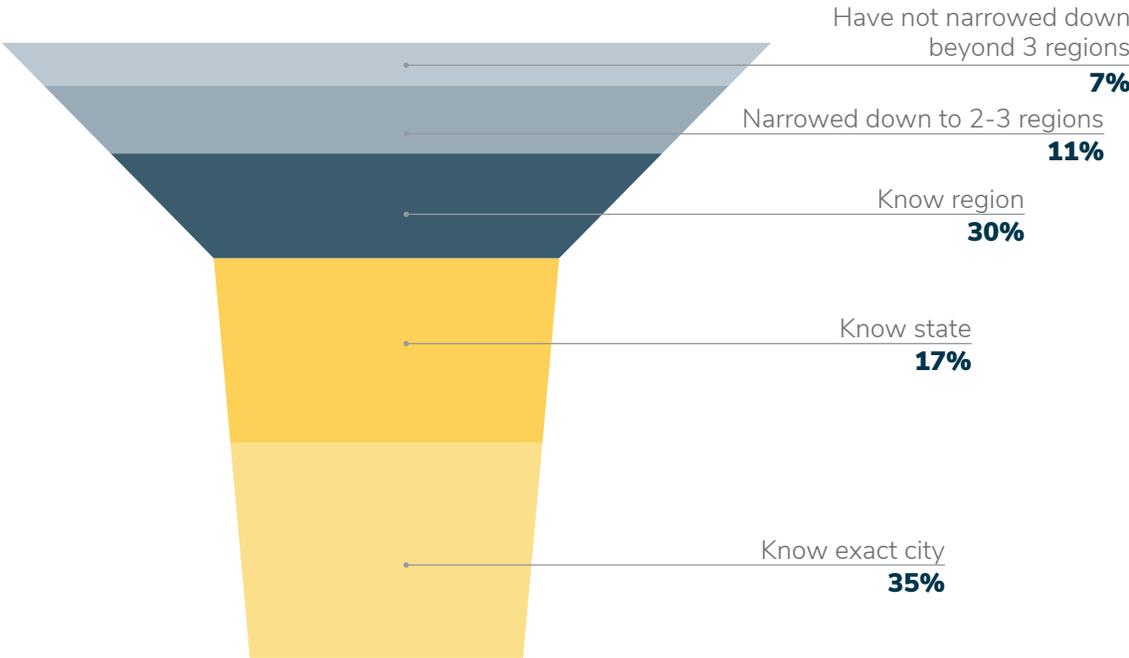
Buyers in the consideration stage are often unaware of all their available financing options. Sharing informative content and referring them to a knowledgeable lender to learn more will help build trust for a deal down the road.

Location considerations

Buyers aren't tied to ZIP Code

65% of prospective vacation rental buyers haven't made up their minds about exactly where to buy. More investment-minded, today's buyers tend to care about region and rental revenue opportunities over specific cities.

Vacation home buyers



When asked about market type preference, a sizable 17% are either undecided or say location doesn't matter at all.



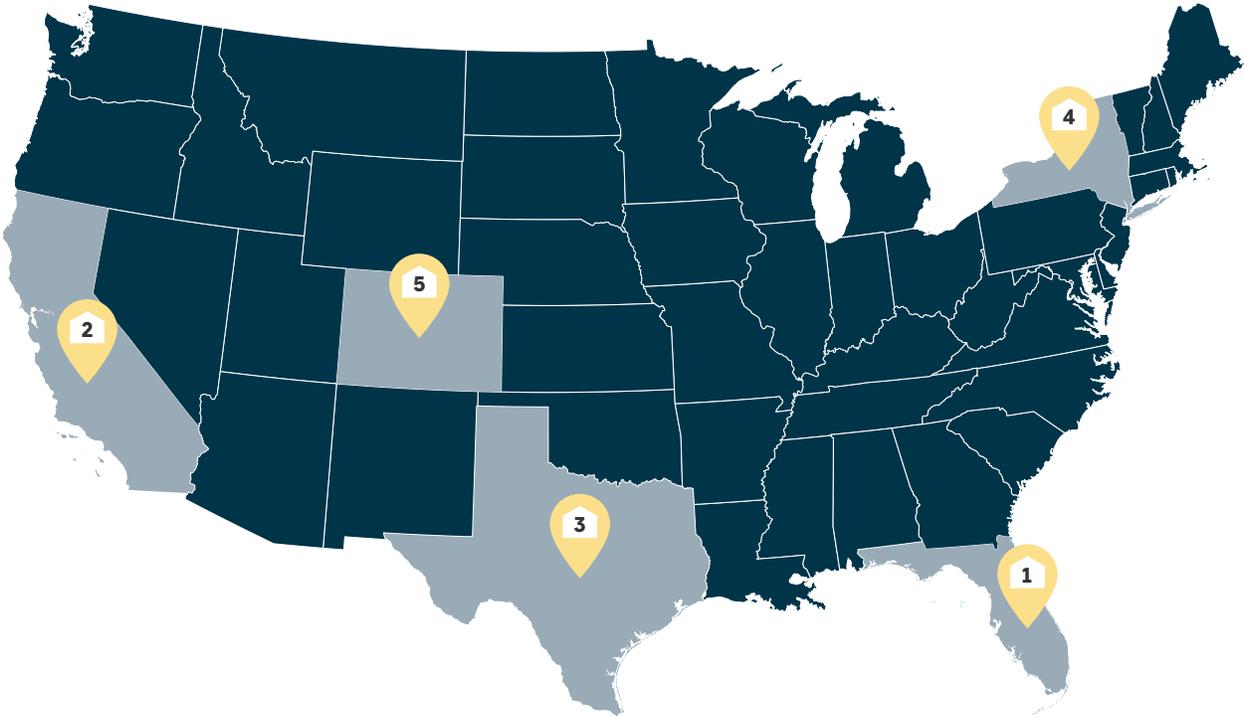
Be calculating: Show properties across the region. Apply local insights to factor in the most informed estimate of the property's potential cash flow and ROI.

Location considerations

Top 5 most popular states for buying a vacation rental

82% of prospective buyers have picked out the state where they plan to purchase a vacation rental. Here are the top five most popular states, ranked in order of popularity with prospective buyers.

- 1: Florida** **2: California** **3: Texas** **4: New York** **5: Colorado**



The other 45:

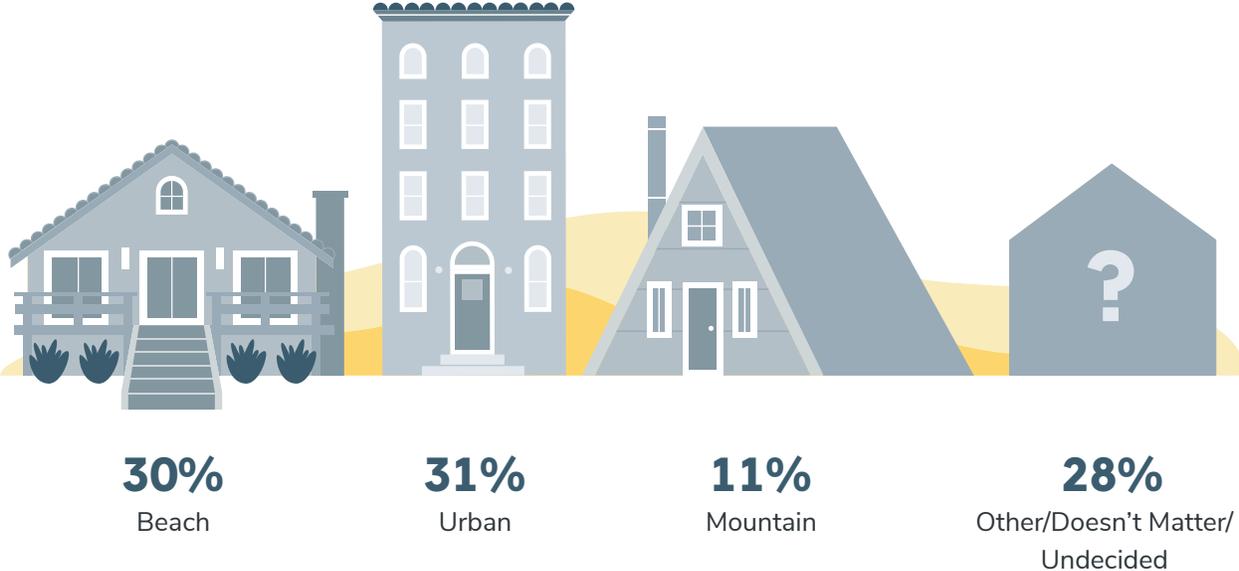
Even if you don't work in the top-ranked states, each market has its own popular vacation destination. Focus your marketing efforts on major cities nearby. Second home owners love to be able to drive to their vacation homes for personal use.

Location considerations

Investment-minded buyers are choosing cities

Urban markets are the location of choice for investment-minded buyers, while beach markets see more buying activity for personal use.

All buyers



Identify intent:

When helping today's vacation rental buyers choose a location, clarify how they intend to use or utilize the property. Their answer should drive your location recommendations.



Choosing an agent

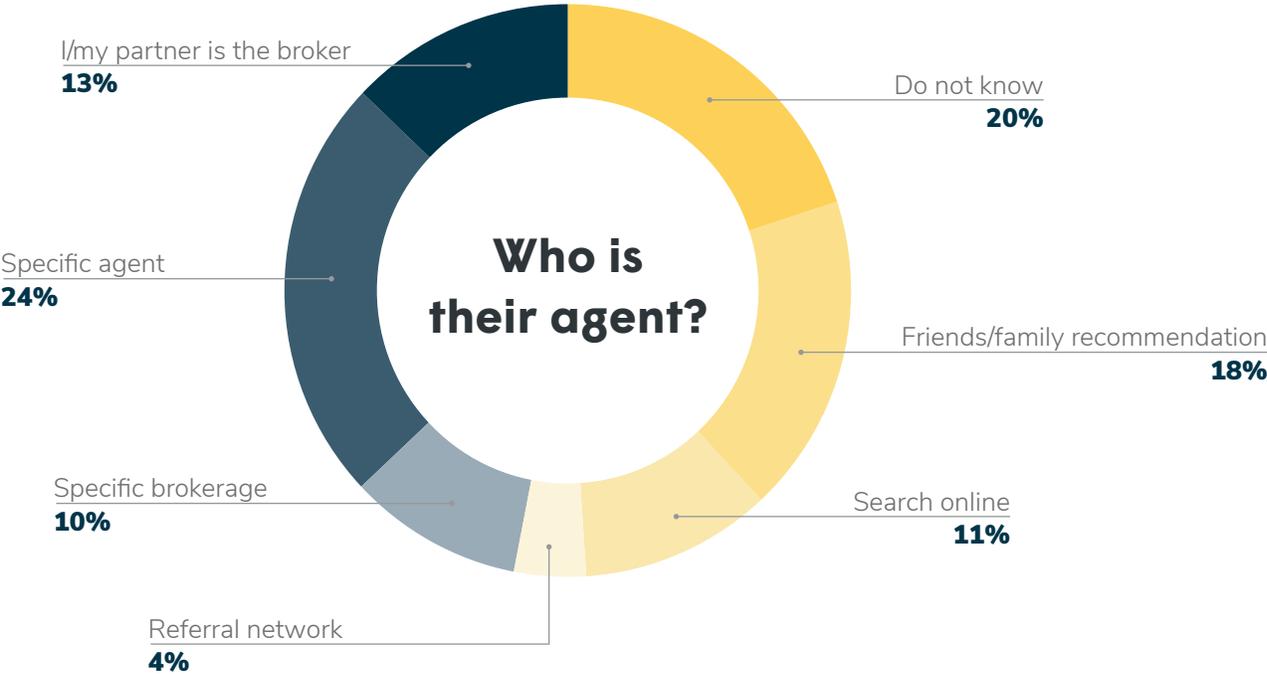
Choosing an agent

Buyers don't know where to find vacation rental experts

Nearly a third of buyers don't know who's going to broker their vacation rental purchase or will search for an agent online (as they don't have someone or a brokerage in mind). This is a gap we can fill together.

Finding their agent

Q: How do you intend to source your agent?



Help them find you:
Increase your network through maintaining relationships with past clients and leverage partnerships within the vacation rental industry.

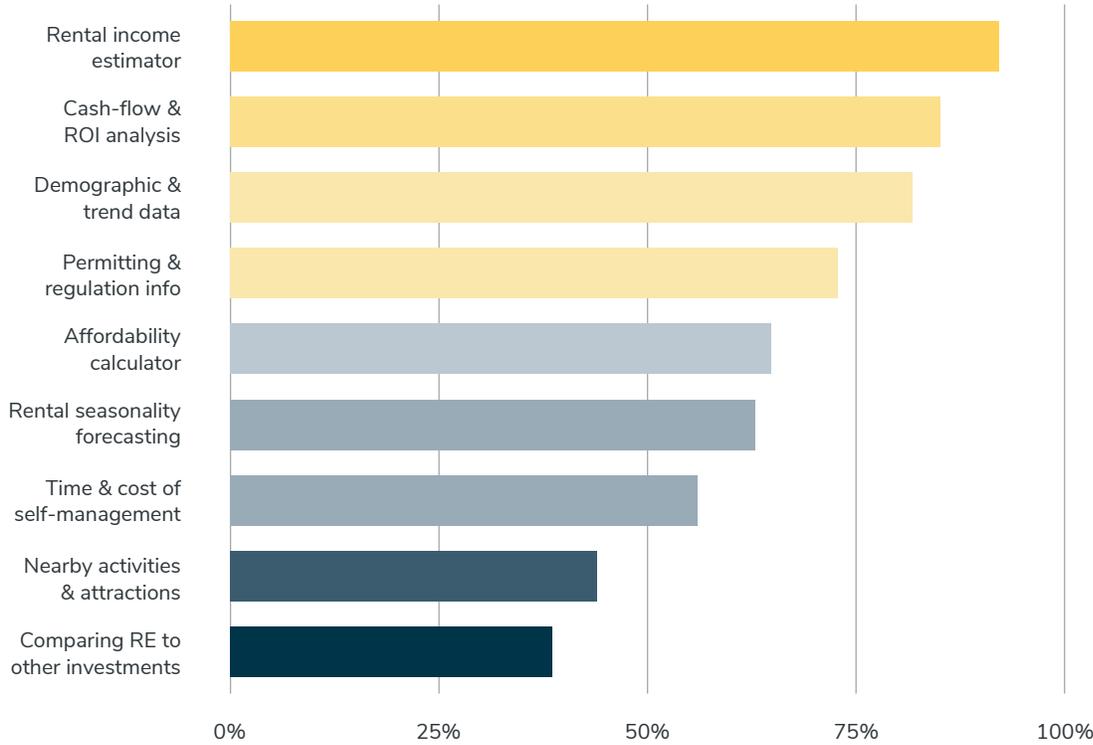
Choosing an agent

Buyers need tools to help them do the math

Buyers are thinking like investors, and they want agents who bring data and tools to help identify the right markets, properties, and amenities for their goals.

Valuable real estate offerings

Q: As you are searching for a vacation rental to purchase, choose the top 3 offerings that are the most valuable



Level up your toolkit:
Use Vacasa’s vacation rental income projections and ROI calculator to help buyers make informed decisions.

In vacation rental markets, “local insights” rank above traditional necessities such as “negotiation skills” and “customer service.”

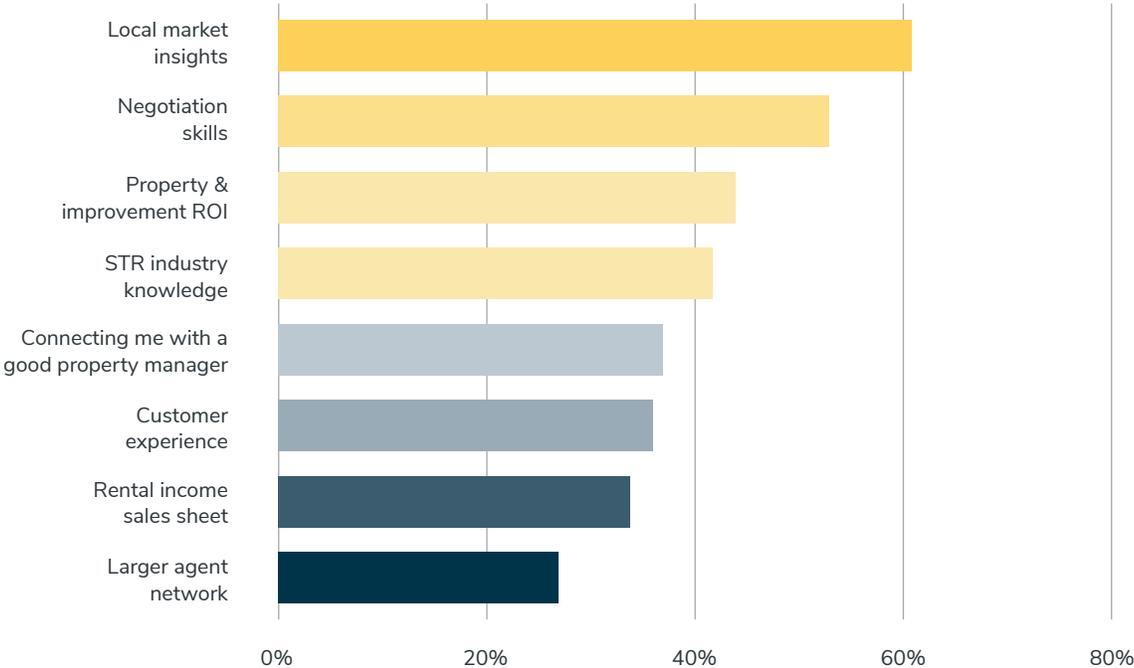
Choosing an agent

Buyers need a partner to make an informed investment

When looking for an agent, vacation rental buyers want experts with both short-term rental (STR) business knowledge and local market insights.

Most valuable agent insights and skills

Q: How important/useful are the following when choosing an agent?



Be ready to talk business:

Today's vacation rental buyers need a real estate partner who is equal parts local data expert, business consultant, and short-term rental industry expert. Are you ready for them?

Choosing an agent

53% of vacation rental buyers do not yet have an agent or broker that they plan to use

11% of buyers are planning to search online to find the right agent

18% will use a recommendation from family or friends

20% simply don't know where to start



Be online:

Make sure your website is searchable and professional. Even with referral networks, buyers and sellers verify you by your online presence.

“Vacasa makes vacation rental real estate easy, helping me to do what I do best—sell more homes. Their expertise in vacation rental management will put your clients at ease with their investment.”

Lyndsey Garza, Managing Broker,
Galveston Vacation Real Estate

Top Takeaways



Buyers want help making an informed investment

Almost 40% of vacation rental buyers say, “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.”



Buyers are looking to agents for answers

59% of buyers expect to find information on vacation rental purchases directly on their agent or broker’s website—ranking this resource above any other form of marketing, even search engines.



Buyers aren’t set on a ZIP Code

65% of buyers haven’t decided on an exact city. When asked about market preference, a sizable 17% are either undecided or say location doesn’t matter at all.



Buyers are building vacation rental portfolios

26% of buyers surveyed are looking to buy multiple vacation rentals, and over half of them already own at least one additional home.



Buyers in their 20s and 30s are more investment-minded

Mature Millennials and young Gen Xers (30s to early 40s) are more likely to evaluate vacation rentals for investment potential, whereas Baby Boomers (late 50s+) and the Silent Gen (mid-70s+) are prioritizing personal use.



Buyers are willing to purchase sight unseen

After visiting the larger regional market at least once, nearly a quarter of vacation rental buyers are open to buying a home sight unseen if it meets their evaluation qualifications.



About Vacasa

We're here for you.

We're the leading partner for all things vacation rental. Homeowners trust us to deliver unbeatable revenue, from helping build a real estate portfolio to taking exceptional care of their home and guests.

Property Management

We are North America's largest full-service vacation rental management company, with more than 13,000 homes in our portfolio and local teams around the world in 27 U.S. states and 16 countries. We lead by leveraging data and technology to improve our products and drive our growth.

Real Estate

Our mission is simple and ambitious: to change the way people buy and sell vacation rentals. With a decade in the vacation rental industry are in a unique position to provide data and insights about the vacation rental market on a national level. Locally, our agents can provide on the ground insights to help clients make the best real estate investments.



Partner with us

Join our Expert Agent Referral Network to receive qualified buyer and seller leads.

[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](#)



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