

2022

Vacation Rental Buyer Report



vacasa

VACATION HOME MANAGEMENT

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Introduction

Our 2022 Vacasa Vacation Rental Buyer Report surveyed 701 U.S. consumers over the age of 18 who are in the market to buy a new property in addition to their primary residence as either a vacation rental property or an investment property. We asked them about their mindsets, behaviors, and challenges as they navigate a changing market. Buyers find short-term rentals appealing over long-term rentals because of their higher return potential and flexible usage. Our latest report aims to arm agents and brokers with meaningful insights they need to compete successfully in a challenging market, as well as to connect their buyers to properties that meet their needs.

Demand for vacation properties is still at a high

Where we choose to live and how we live has changed drastically over the past two years. As a result, the demand for vacation properties as an investment has remained high.

We are still in a seller's market, which means that inflated housing prices and low inventory have influenced buyers to get creative with how they find properties: virtual walkthroughs with an agent, having family or friends view the home on their behalf, making sight unseen purchases, and determining financing options with their agent on how to close the deal. Compared to our findings from our [2021 Vacation Rental Buyer Report](#), we saw an increase in experienced buyers continuing to invest in vacation rentals.

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

We discovered that regardless of how experienced vacation rental buyers are, they are consistently seeking out knowledge and resources when purchasing a vacation rental in order to ensure their investment yields positive results. When looking for an agent to partner with, buyers tend to seek out a real estate professional who possesses industry knowledge as well as local insight to get them the property that fits best.

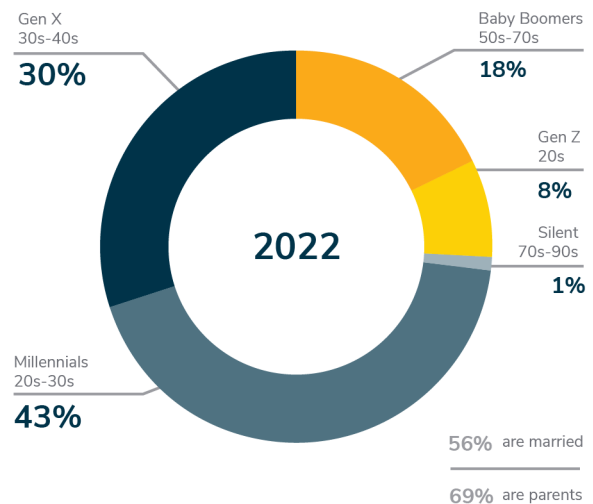
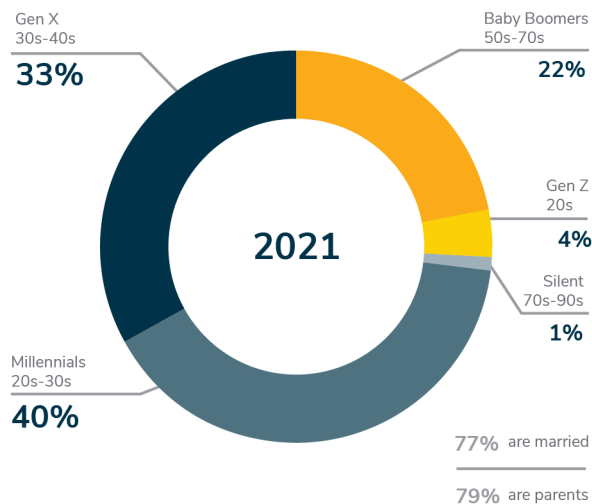
Today's Buyer

Profile and Motivations



Younger buyers are now the majority

Holding steady in recent years, the majority (51%) of today's vacation rental buyers are Gen Z and millennial. 69% are parents and 56% are married.



While the majority of short-term rental buyers currently own their primary residence (82%), nearly 1 in 5 are buying a short-term rental before owning their own home (18%).

Salary and ambition of potential buyers

We found that 64% of buyers are in the market to buy a vacation rental in addition to their primary residence, compared to 2021 when only 58% of buyers were looking to do so.



64%

want a vacation
rental property



36%

want an
investment property

Purchase motivators for the majority of vacation rental buyers center around personal use of the property—whether it's having a family retreat/vacation spot, somewhere convenient to stay when traveling, having the ability to work in a remote environment, or financing a dream vacation home or home to live in. Buyer motivations have changed over the past few years, more are making their first purchases quickly to generate income and to have a vacation home of their own to visit.

31%

of potential buyers make
\$50,000 to \$99,000
per household

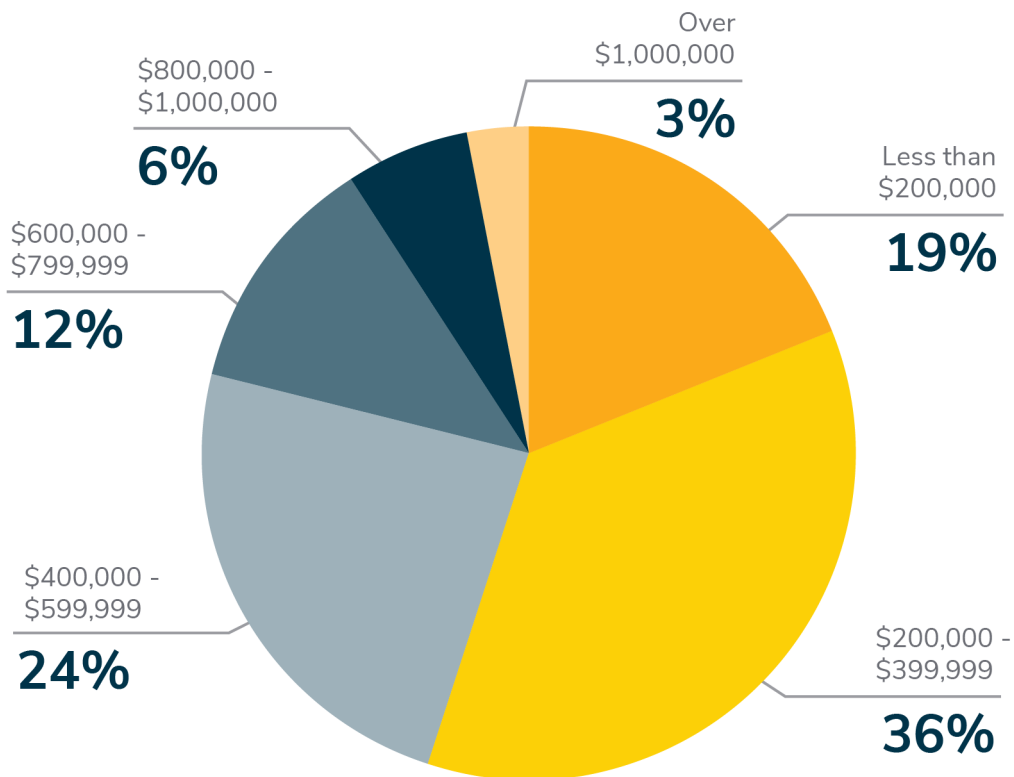
22%

of potential buyers make
\$100,000 to \$149,000
per household

Budgets and financing

Not much has changed in the price range for buyers since 2021. 54% of buyers are looking for a property that costs less than \$400,000, while 46% are looking in the \$400,000+ price range. Interestingly, millennials and Gen Zers are more likely to be looking in the \$400,000+ price range than older generations (54% vs. 37%, respectively), while older generations are most often looking to buy a property that costs less than \$400,000 (63% vs. 46% millennials/Gen Z).

What is the price range that you're considering for your property?



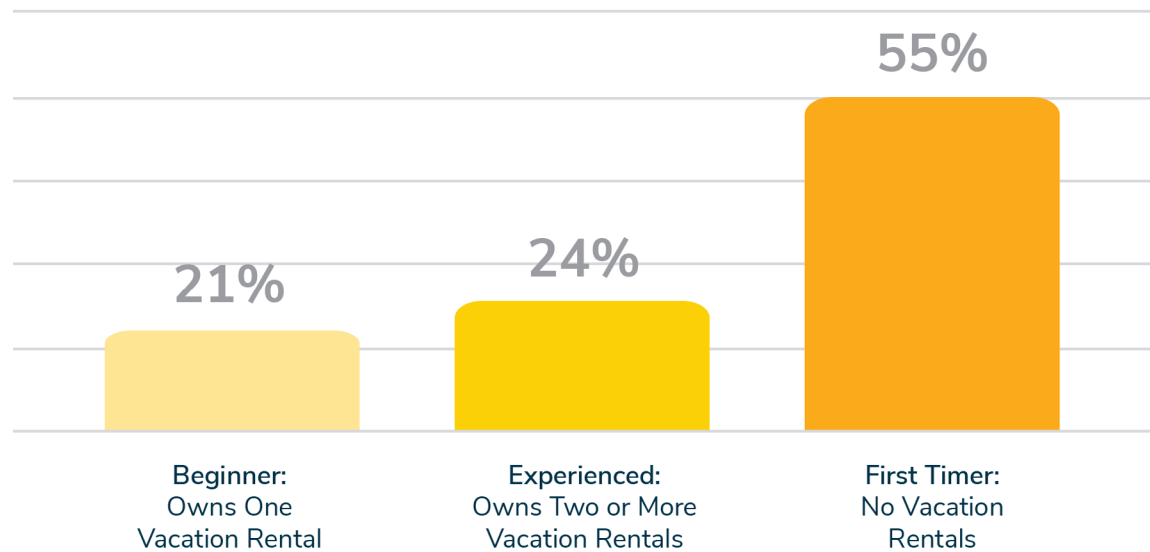
Nearly 3 out of 4 buyers will be utilizing some type of loan or line of credit to finance their purchase (72%). So be prepared to provide buyers with information on pre-approval and lending resources.

Past buyers are looking to keep investing

There was a big shift from the data recorded in 2021 proving that many buyers last year purchased their first vacation rental and are now looking to continue to invest. In 2022, 55% of buyers will be making their first dive into investing in rental property, compared to 67% in 2021.

Now, 45% of buyers own at least one property, which when asked a similar question in 2021, there were only 32% that owned at least one property already.

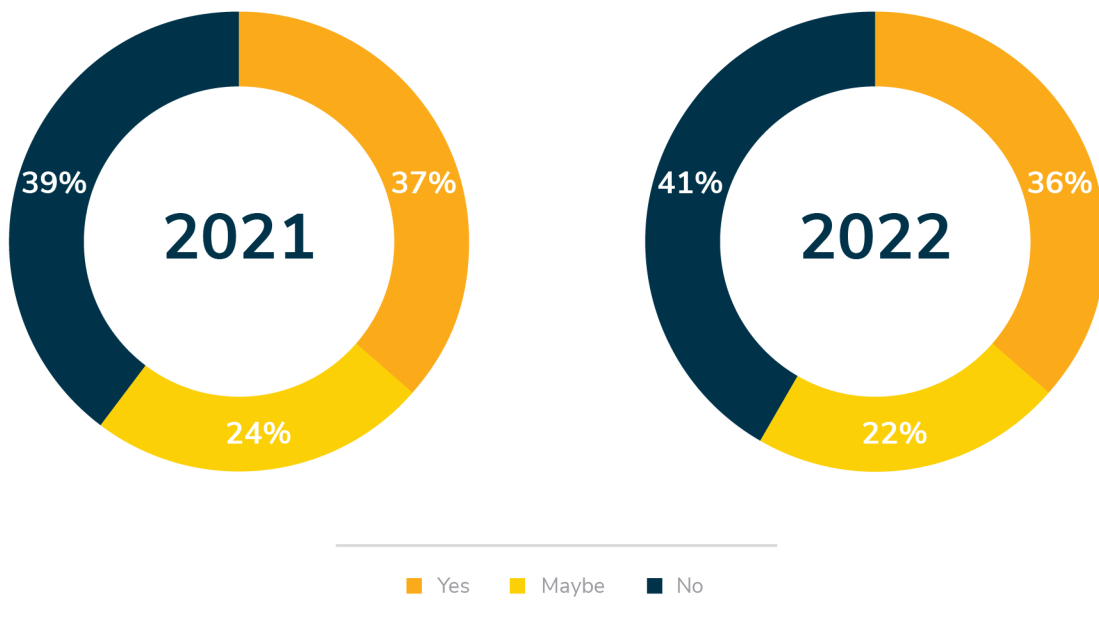
How many vacation rental properties do you currently own, aside from your primary residence?



Seeing is believing

Similar to 2021, some buyers are comfortable purchasing their vacation home without first viewing it in person. Most other buyers would want to see it for themselves in person.

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



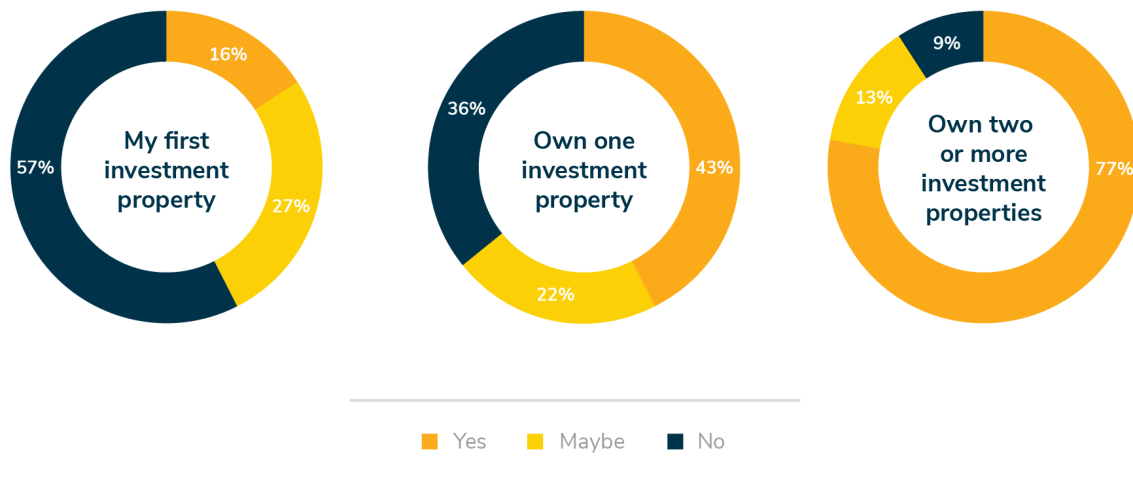
We found the top three factors that would help buyers feel comfortable buying a property sight unseen:

1. Virtual walkthrough tools (e.g 3D, videos)
2. Knowing a trusted real estate agent in the market
3. Having a trusted friend or family member visit the property for them

Vacation rental experience

Willingness to buy a property without first seeing it in-person also depends on buyer experience. Nearly 4 in 5 experienced vacation home owners (those with 2+ vacation homes) would consider purchasing a property sight unseen if they found or were provided something that fit all of their criteria (78%), compared to only 16% of first-time vacation rental buyers.

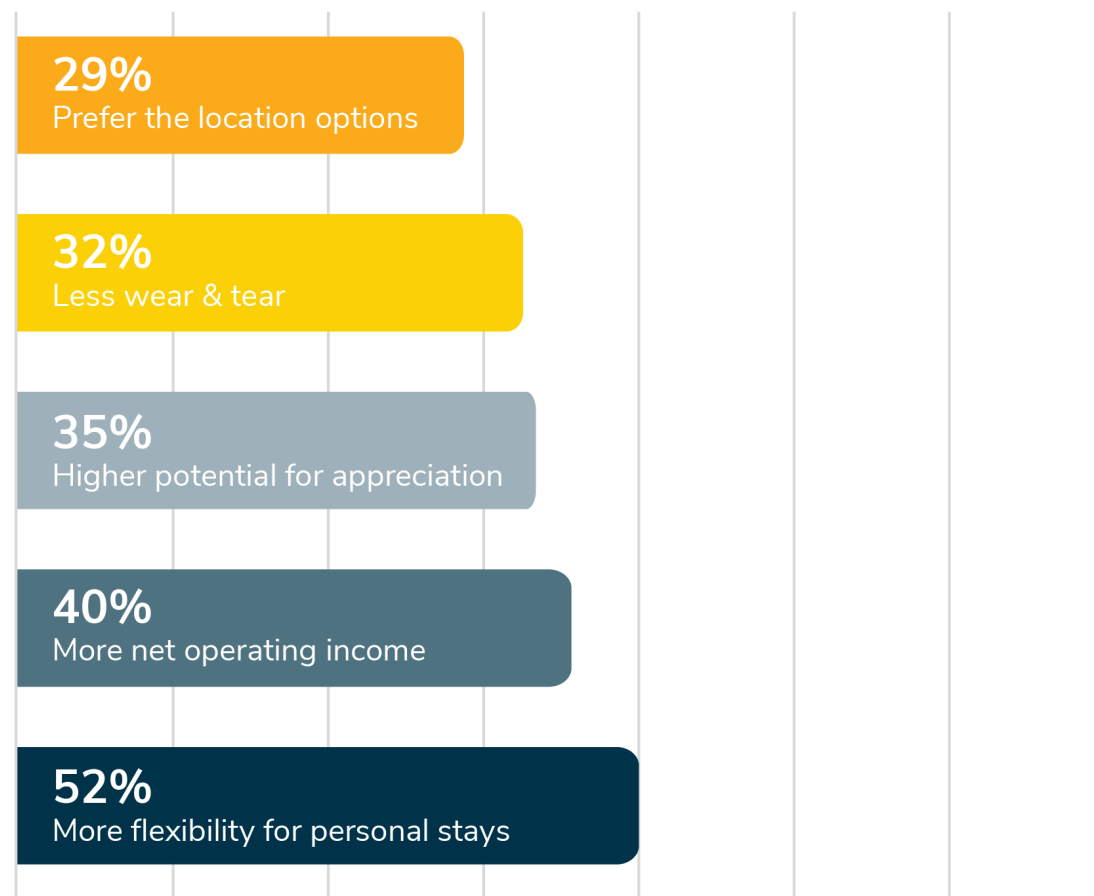
If you found or were provided a property that fit all your criteria, would you consider purchasing it without first viewing it in person?



Short-term vs. long-term

When asked what makes a short-term rental property more appealing than a long-term rental, buyers said they want more flexibility for personal stays followed by more net operating income.

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



More than half of prospective short-term rental buyers do not currently own a long-term rental property (53%).

Buyer Purchasing Considerations

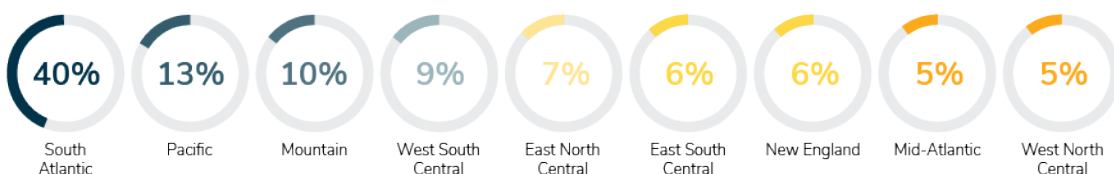
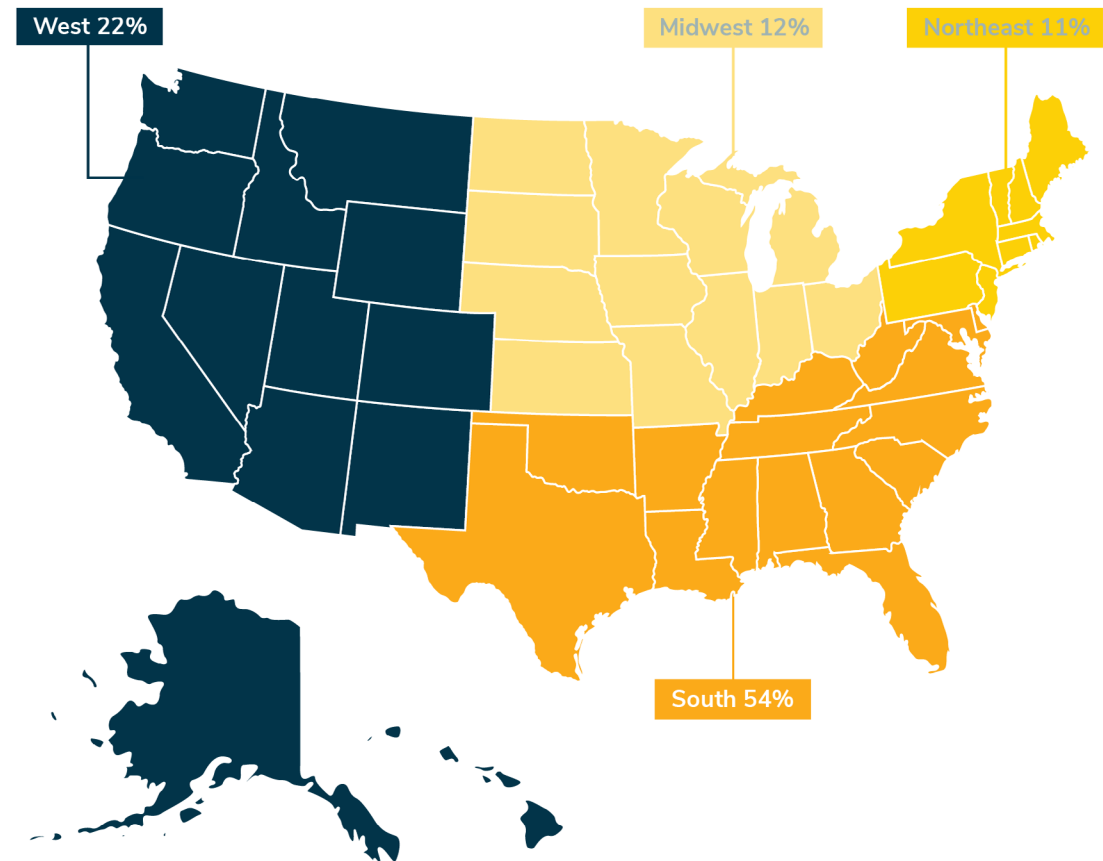
Location, Desires, and Planning



Staying close to home

As seen in the map below, a majority of buyers are looking to purchase their short-term rental in the South (54%) and out in the West (22%). Statistically, buyers are more likely to purchase their short-term rental in the same region they live in, with more than 9 in 10 buyers living in the South doing so (91%), followed by the West (72%), Midwest (49%), and the Northeast (44%).

Where buyers are looking to purchase



Coastal properties are most desirable


Given buyers' preference for locations near water, it's no surprise the top market type that short-term rental buyers are interested in is the beach, up 10% from 2021.

 **26%**
Mountain

 **35%**
Urban

 **36%**
Lake

 **19%**
Rural

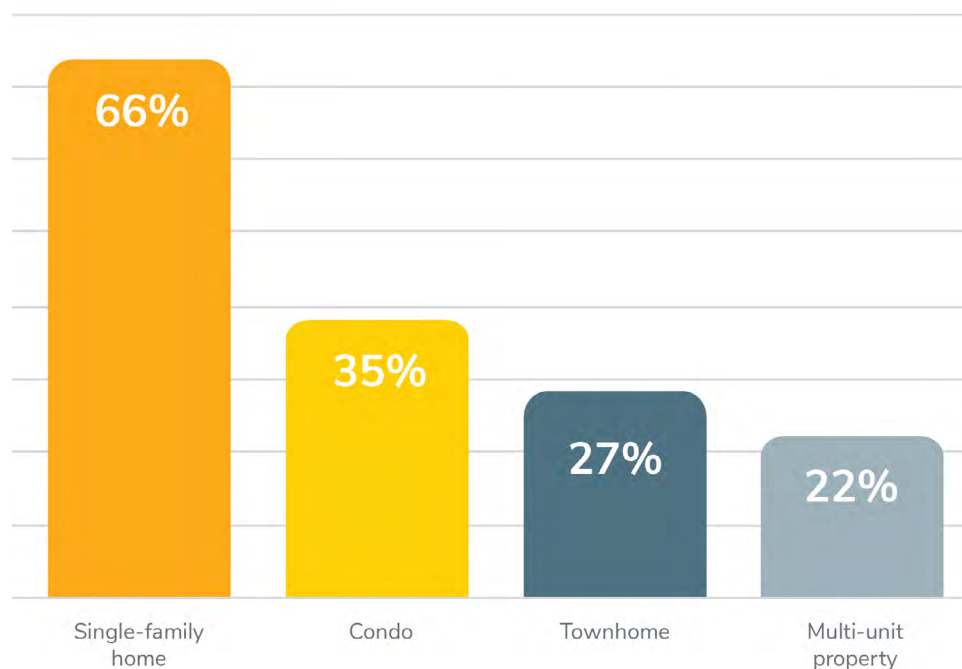
 **52%**
Beach

 **14%**
Doesn't matter/
undecided

Single-family homes are still preferred

First-time vacation rental buyers are most often looking to purchase a single-family home or a condo, while those with two or more vacation rental properties under their belt are statistically the most likely to be considering a single-family home (67%), condo (39%), townhome (27%), or a multi-unit property (22%).

Which type of property are you considering buying?



Looking forward to some R&R

Hobbies, activities, and local attractions matter to buyers when they're choosing where to invest in a vacation rental property. Many view vacations as a time to unplug from the stresses of work and life, so it's no surprise that almost three-quarters of buyers say that rest and relaxation is important to them when determining which property to purchase.



Rest & Relaxation



Family-Friendly



Dining & Entertainment



Shopping & Arts



Sightseeing



Mountain Activities /
Sports



Water Activities /
Sports

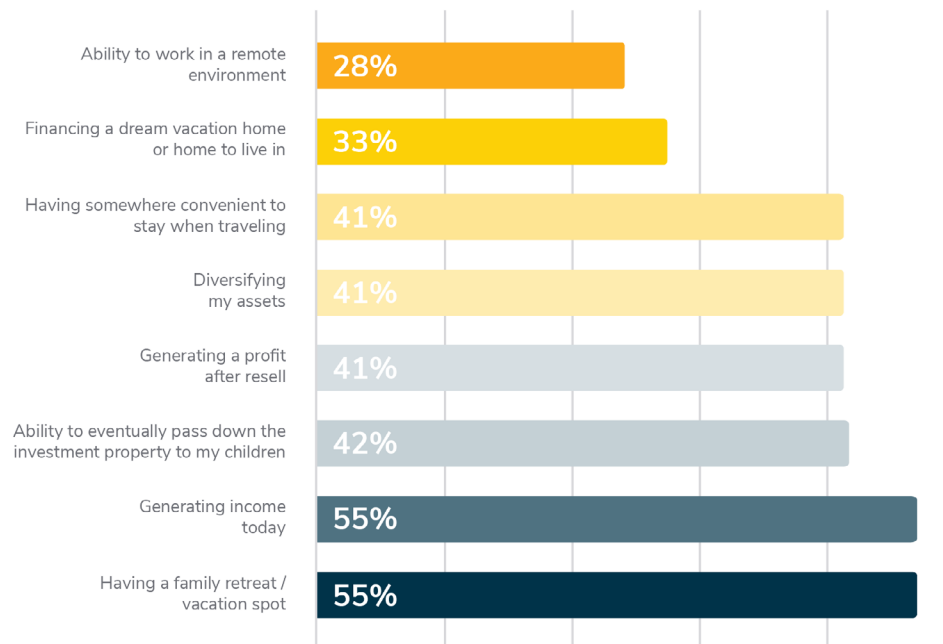


Snow Activities /
Sports

Why buyers want a vacation rental property

The top motivators for purchasing an investment and/or vacation rental property are having a family retreat/vacation spot and generating income today. It's not surprising that the ability for a buyer's family spot to be passed down to their children is another deciding factor in purchasing.

Which of the following do you consider to be motivators to purchasing an investment and/or vacation rental property?

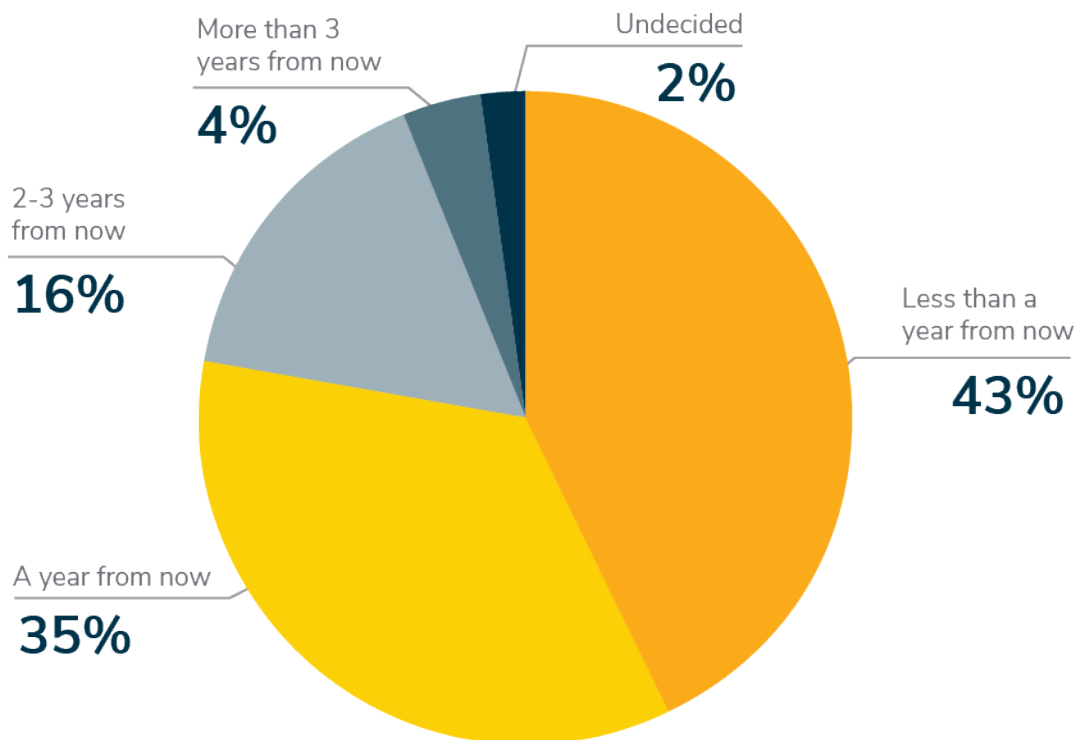


Though only 28% of buyers are looking for the ability to work in a remote environment, we found 60% of experienced vacation home owners either work hybrid or are fully remote.

Completing the purchase

More than three-quarters of short-term rental buyers are planning to complete their purchase in a year or less (78%). With such a short timeline in a seller's market, agents need to stay up to date on current market trends and be ready to send buyers available properties now.

Approximately how soon do you plan on completing the purchase of your upcoming property?

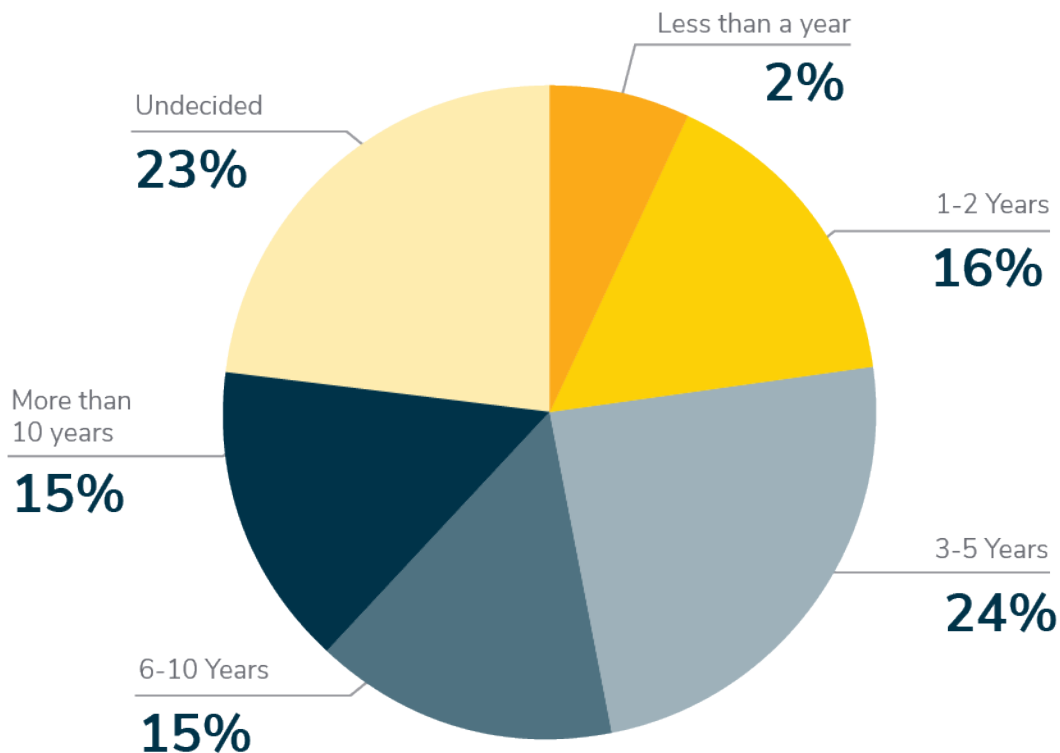


How long buyers want to own before selling

Almost a quarter of buyers (23%) are planning to put their property back on the market within 2 years or less. Almost half of that group (45%) are experienced vacation rental owners who own two more properties.

Because it is currently a seller's market, the possibility of making more from a potential sale than they would have pre-2020 could outweigh the downside of capital gains penalties from selling within two to five years of buying a property. Buyers should always consult a tax professional in these circumstances.

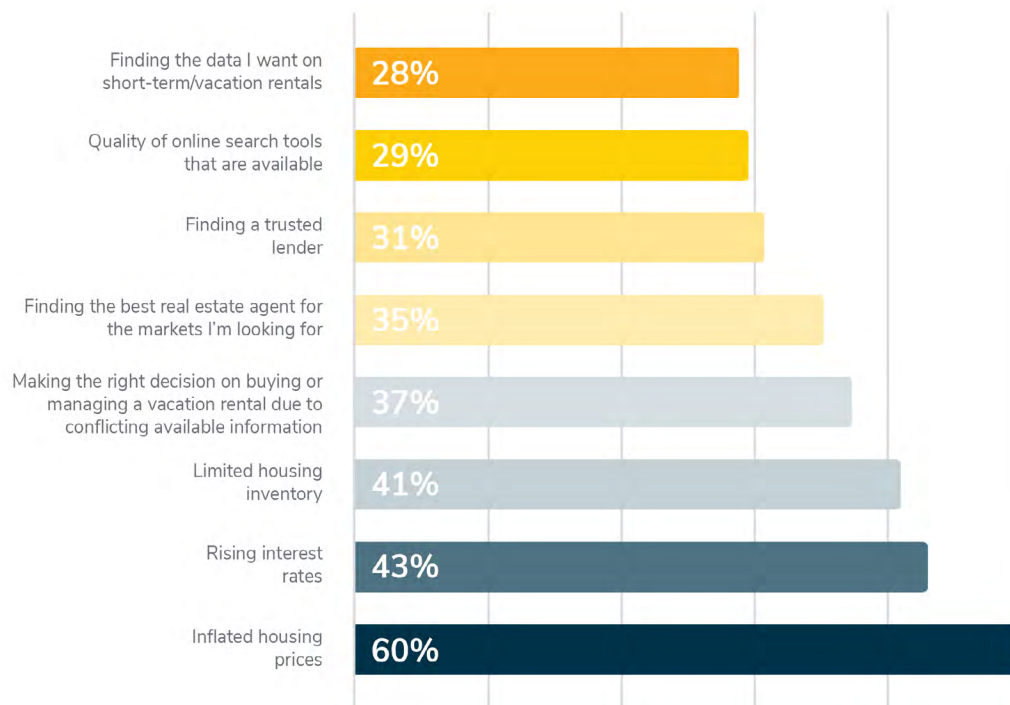
How long do you plan on owning the rental property before selling?



What are buyers barriers for purchasing?

Along with inflated housing prices, rising interest rates, and low inventory, old tactics of putting in offers have made buying a property more difficult. First-time vacation rental buyers are significantly more likely than buyers with one or more properties to say that inflated housing prices are a purchase barrier (71% vs. 46%, respectively)—one that would most likely cause them to cancel their purchase plans altogether (46% vs. 18%, respectively).

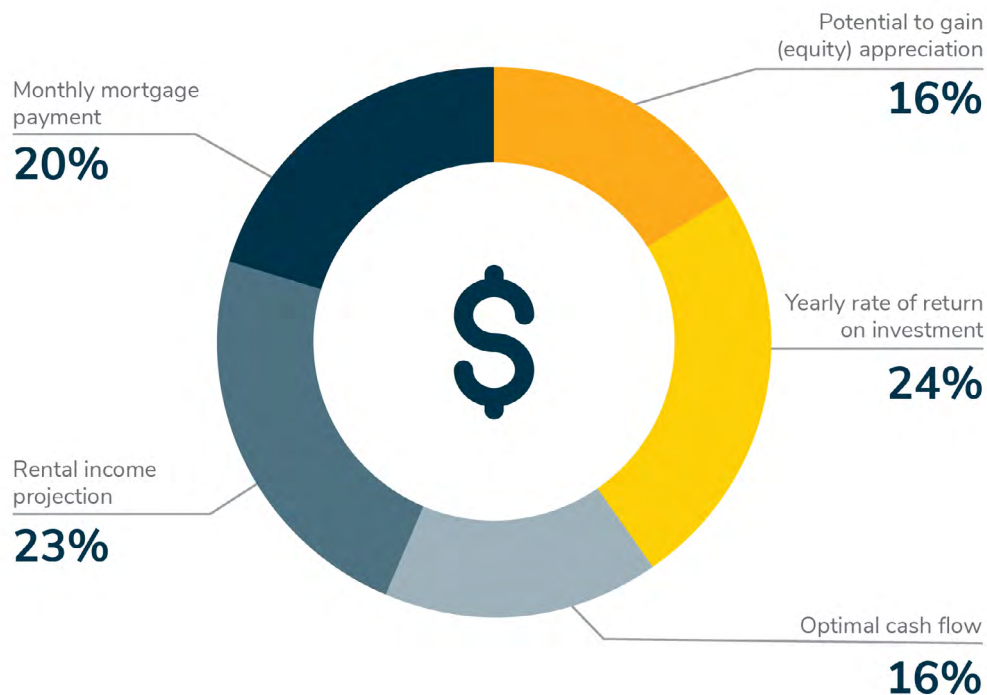
Which of the following do you consider barriers to purchasing an investment and/or vacation rental property?



Financial insights that matter most

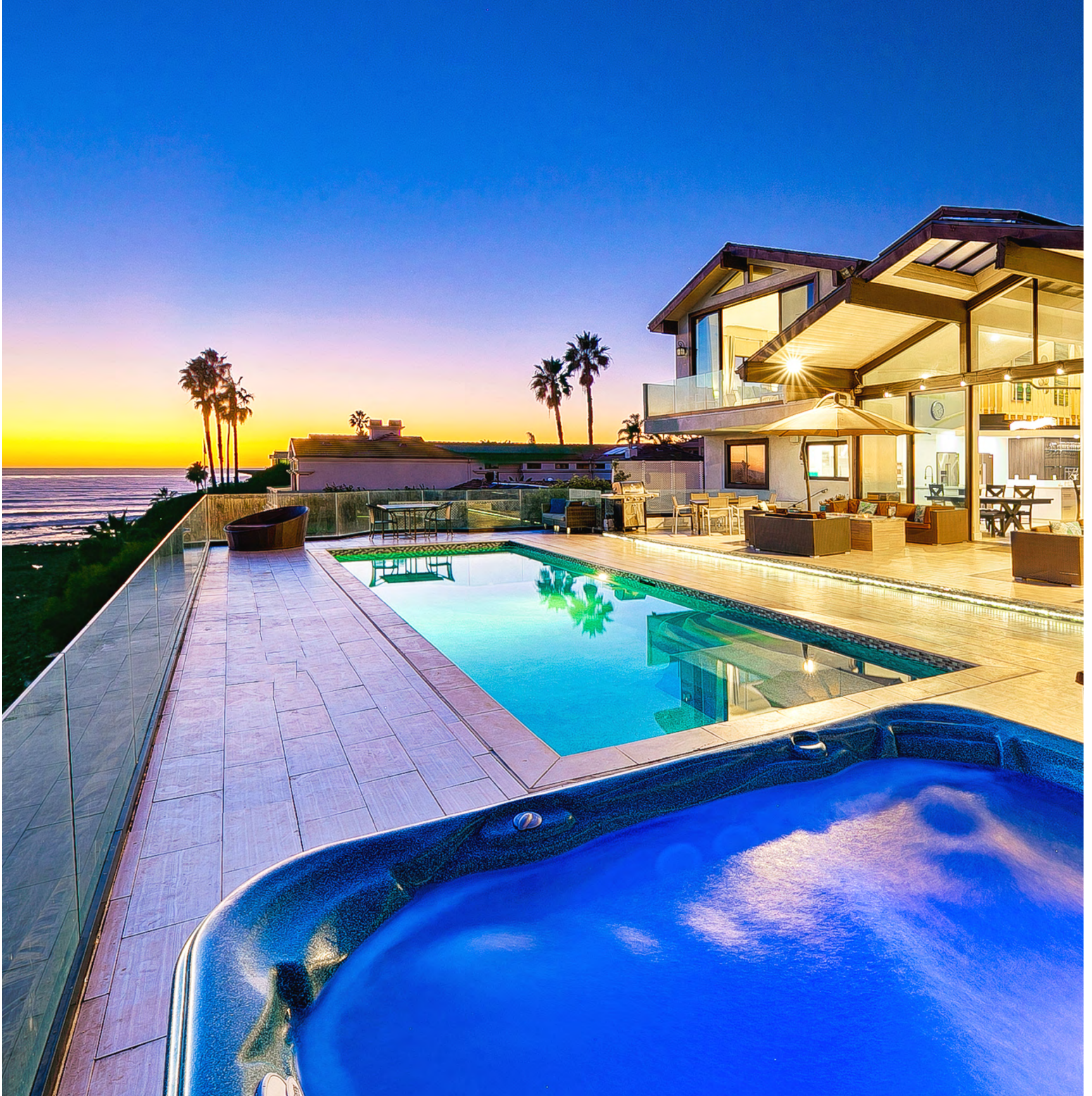
The main financial metrics short-term rental buyers are using to evaluate their property purchase are the yearly rate of return, rental income projections, and monthly mortgage payments. Agents should be educated in investment rental finances or obtain the correct information from another professional if they're unsure.

What is the main financial metric you're using to evaluate your property value?



Choosing An Agent

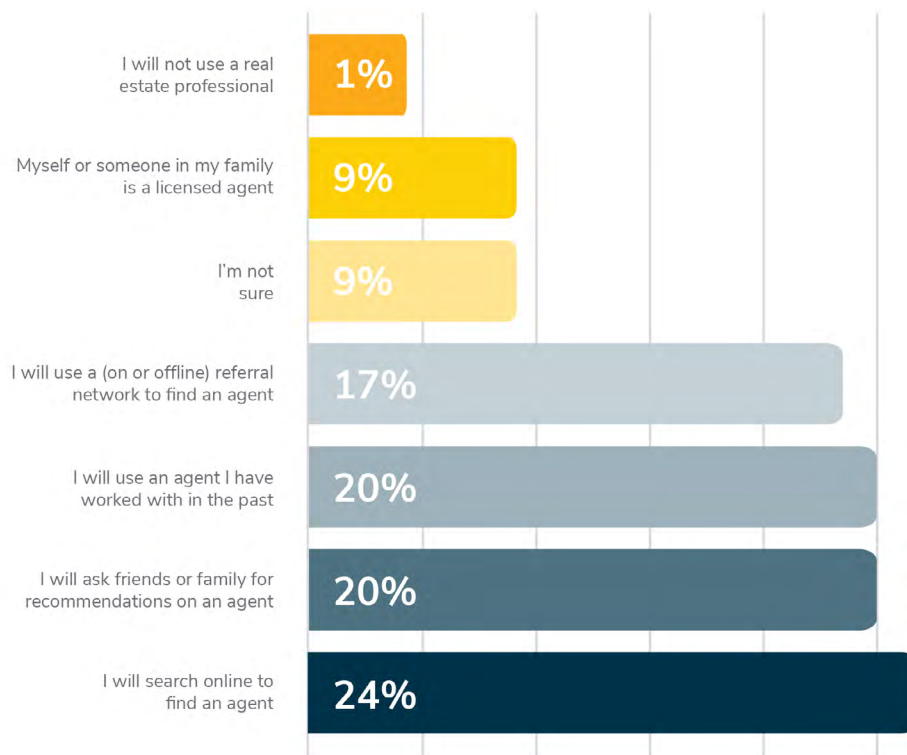
Market Knowledge and Tools



Connections and reliability

In the 2021 Vacation Rental Buyer Report, a total of 24% of buyers stated they would ask friends/family for recommendations on finding an agent, or that they already have an agent, versus an overwhelming 40% in 2022, which equates to two in five short-term rental buyers.

How will you find the real estate agent that will help you purchase your investment and/or vacation rental property?



Make yourself known: Agents should understand where buyers in their markets are looking for vacation homes and continue to market to their past clients. The possibility of those same buyers reaching out for a recommendation is high so be prepared so you can make that referral.

What buyers really want from a real estate agent

Buyers want a partner who can help them make an informed purchasing decision. When searching for that partner, the most important thing is their knowledge of the vacation rental industry. Highlight your past experience to advertise yourself as a vacation rental specialist and you're ahead of the game.

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



56%

Communicates in a way that is easiest for me



63%

Vacation rental industry knowledge



51%

Negotiation skills



37%

Online tools



57%

Local market insight

What matters most to buyers based on experience

Different types of buyers, from first-time to experienced, have different needs when it comes to choosing a real estate agent that will help them make the most sound decision when choosing an investment. Giving buyers as much information about the property, area, and trends of the past year puts you ahead of the competition.

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

Experienced buyers

58%

Online tools

55%

Communication

Experienced buyers are savvy to the vacation rental industry, so they need the proper tools to help them close deals as well as fluid communication with their agent.

Beginner buyers

59%

Communication

56%

Vacation rental industry knowledge

Buyers who have at least one investment property, but are not yet experienced, value clear communication and an agent who can give them proper industry knowledge.

First-time buyers

71%

Vacation rental industry knowledge

67%

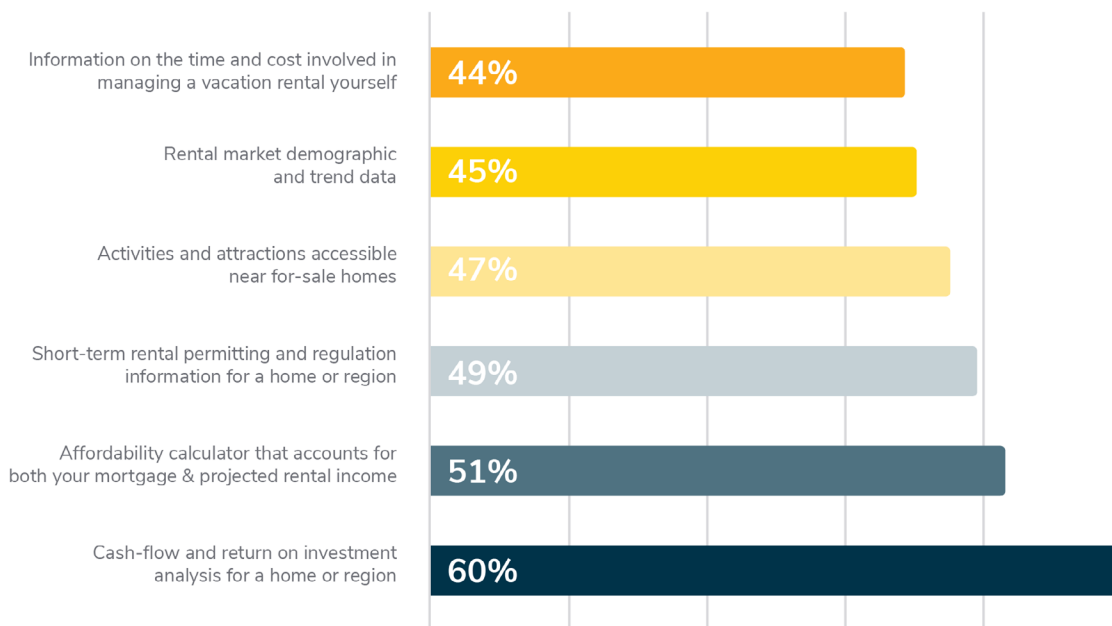
Local market insight

First-time buyers hands down need all of the information they can get, especially through an agent who is well versed in the vacation rental industry and their local markets.

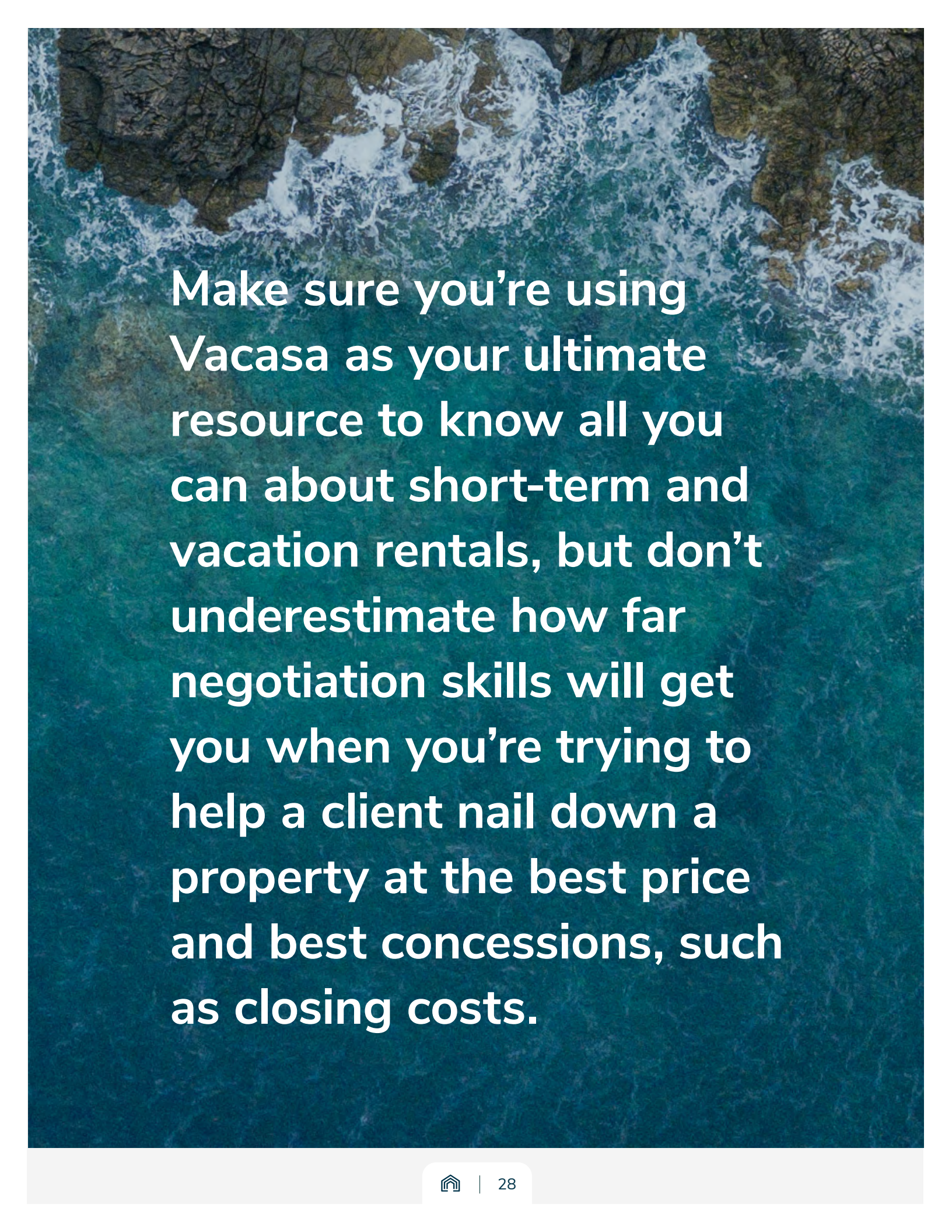
What resources buyers want from their agents

Buyers are seeking out the latest industry knowledge and resources and will turn to their agents for guidance. They need help finding the right markets, properties, and amenities for their goals. The resources that would be most valuable for buyers are cash-flow and ROI analysis for a home or region followed by an affordability calculator that accounts for both their mortgage and projected rental income.

Which of the below resources would be most valuable as you are searching for a property to purchase? (Respondents selected the top three most valuable)



Vacasa can help provide local insight and income projections for buyers.



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.

Key Takeaways

Experience matters when making a sight unseen decision

Respondents who are beginner buyers, those who only own one vacation rental, are on the fence about whether or not they would buy an investment rental without first seeing it in person, even if the property fit all of their criteria. 43% would do so, while 36% would not. However, experienced buyers who own two or more vacation rentals are overwhelmingly comfortable with buying sight unseen (78%).

Buyers are looking for maximum ROI

The main financial metric buyers are using to evaluate their home purchase is the yearly rate of return on investment (24%), followed by rental income projection (23%).

First time buyers are money motivated

66% of first time buyers selected generating an income today as a vacation rental purchase motivator, more so than any other driver.

More buyers are looking to expand their portfolios

79% of buyers are looking to add to their investment portfolios of two or more vacation rentals.

Buyers expect agents to be well versed in the industry

The vacation rental real estate market is expanding month-to-month and buyers expect agents to be well versed in the industry. Agents need to be prepared to work accordingly, and that could mean investing in continuing education, partnering with vacation rental experts, and other resources that are available.

Buyers want an agent who's informed and engaged

When choosing an agent, 63% of buyers say it's important for them to have vacation rental industry knowledge, followed by local market insight (57%) and the ability to communicate in a way that is easiest for them (56%).

About Vacasa

**Creating the best vacation home experiences
for everyone, everywhere.**

Vacasa is the leading vacation rental management platform in North America, transforming the vacation rental experience by integrating purpose-built technology with expert local and national teams. Homeowners enjoy earning significant incremental income on one of their most valuable assets, delivered by the company's unmatched technology that adjusts rates in real time to maximize revenue. Guests can relax comfortably in Vacasa's 35,000+ homes across more than 400 destinations in North America, Belize, and Costa Rica, knowing that 24/7 support is just a phone call away.

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 tools and resources to help agents 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](#)



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vacasa.com/real-estate

Methodology: Vacasa surveyed 701 U.S. consumers over the age of 18 who are in the market to buy a new property in the U.S. as either a vacation rental or an investment property, that isn't their primary residence. 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. Vacasa partnered with Allison+Partners to field the survey in March 2022. Percentages are rounded to the nearest whole number and some charts may not add up to 100%.

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 Colorado LLC (Mark Graham); 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 Missouri LLC, Susan Scanlon, Designated Broker; 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 Czapkowicz, California DRE #01380722; Vacation Palm Springs Real Estate, Inc., California DRE #01523013, Joseph Czapkowicz, California DRE #01380722; Vacasa Real Estate LLC (licensed in Colorado, Daned Kirkham); Vacasa Real Estate LLC (licensed in Idaho, Oregon, and Utah); Vacasa Real Estate LLC (licensed in Maine, Michael McNaboe, Designated Broker); Vacasa Real Estate LLC (licensed in Texas, Debra Brock, Designated Broker); Vacasa Real Estate LLC (licensed in Washington, Robert Brush, Designated Broker); Vacasa Seasonals Inc., California DRE #02160171, Daned Kirkham, California DRE #01424621; 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, Terah M Young, 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.