

STR SURVEY REPORT



2022 VISIO SURVEY SHOWS THE SHORT-TERM RENTAL MARKET IS BOOMING

The short-term rental (STR) market is flourishing and both investors and vacationers are jumping on the bandwagon. Visio Lending's vacation rental loan volume increased nearly **3,000%** from 2018 to 2021. On the consumer side, Research and Markets reported that the percentage of vacationers who opted for STRs tripled from 2011 to 2019.

And the COVID-19 pandemic only fueled the fire of an already ignited industry. The market is expected to accelerate at a compound annual growth rate of **8.49%** from 2022-2026.

+ 3,000%

Visio vacation rental loan volume
2018 - 2021

3x

Vacationers who opted for STRs
2011 - 2019

+ 8.49%

Expected industry annual growth
2022 - 2026

THE MAJORITY OF U.S. TRAVELERS ARE BOOKING SHORT-TERM RENTALS



61% of U.S. travelers with disposable income have stayed at a short-term rental property at least once.



66% of U.S. travelers with a disposable income agree they are more likely to stay in a short-term rental now than they were 5 years ago.



54% of U.S. travelers with disposable income say they are likely to book a short-term rental for their personal travel in 2023.

To help investors stay competitive in an ever-growing market, we conducted a comprehensive survey on travel trends and consumer preferences.

In May of 2022, we polled **2,033** U.S. travelers who vacation at least once per year and have disposable income. Our findings confirm that the vacation rental market is gaining traction.

The majority (**61%**) of U.S. travelers with disposable income have already stayed in an STR at least once, and more than half (**54%**) say they are likely to book a short-term rental for personal travel in 2023. Further, about two-thirds (**66%**) of respondents agree that they are more likely to stay at an STR now than they were five years ago, indicating the shift in mindset on vacation rentals.

We also uncovered some essential preferences, amenities and trends investors can pull from to formulate their investment strategies going forward.

Deciding Factors & Amenities

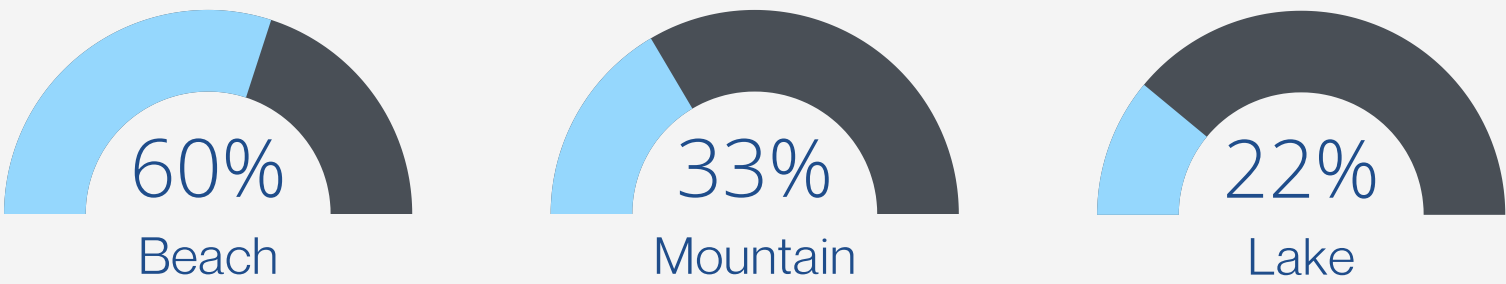
Understanding consumer preferences when it comes to location, property features, and amenities can help investors evaluate new properties or write compelling vacation rental listings.

We've broken our survey findings into the following categories:

- **Location**
- **Group Size & Type of Travel**
- **Property Features**
- **Amenities**
- **Universal Property Features**

LOCATION

Investing near popular tourist attractions is a great way to set yourself up for success. The following are the top three destinations in 2023 for U.S. travelers with a disposable income, according to our survey:



"My best experience was a fantastic apartment Airbnb close to Orlando theme parks."

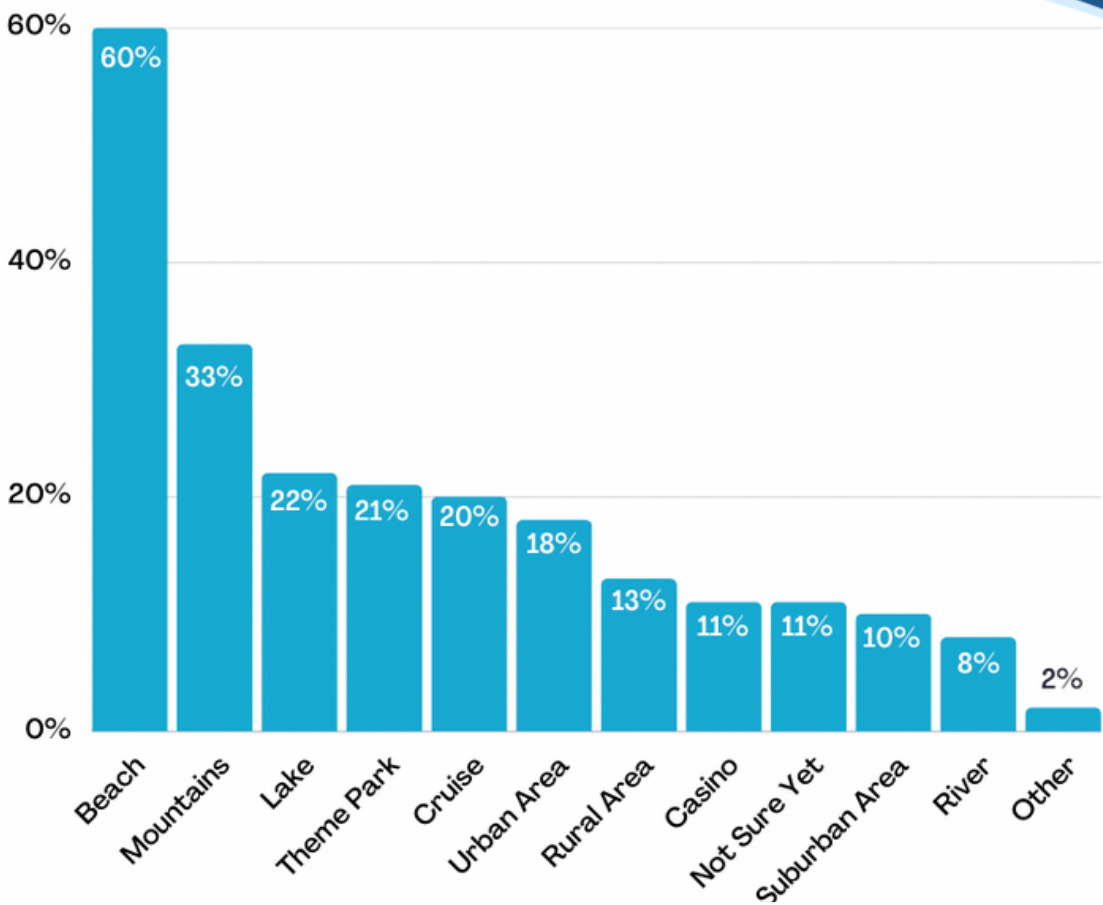


"My best short term rental in the US was in Phoenix, AZ where we staying in a beautiful guest house. We could walk to great restaurants nearby. It was quiet, peaceful and lovely."



"Our daughter talked us into spending a little more and getting a beach front property. It was a great setting with a large deck, and we could enjoy a nice day looking out over the deck or getting into the surf."

We asked U.S. travelers what destinations they plan to visit in 2023. Here's what they said:



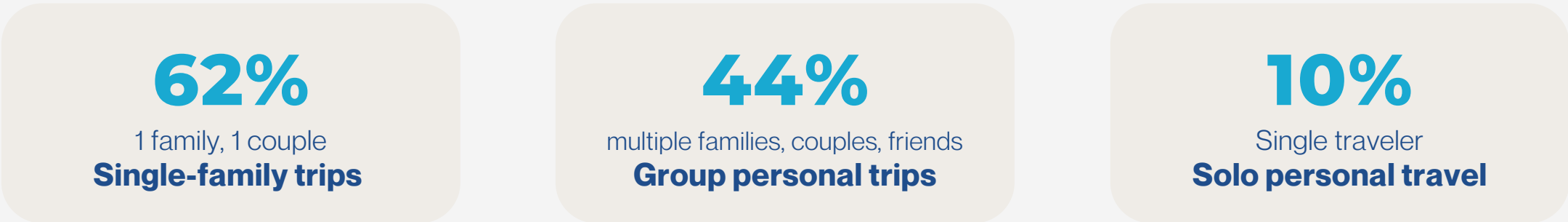
Other areas to look for vacation rentals based on our survey findings, include near a theme park or an urban area. If you are looking to revamp your online listings, be sure to highlight nearby attractions, restaurants, parks, etc.

GROUP SIZE & TYPE OF TRAVEL



Overall, short-term rentals are much more popular for personal vacations that include more than one person and are rarely used by travelers for business purposes.

The three most common types of trips that travelers choose short-term rentals for are:



Of our survey respondents, the majority (74%) are married, and 31% have at least one child under the age of 18 living at home.



Based on our survey findings, to appeal to a broader audience, we recommend looking for properties with at least one bedroom. In your listing, even if you have a one bedroom, mention a sofa bed or any optionality for multiple guests.

PROPERTY FEATURES

Of the 22% of U.S. travelers who said short-term rentals are their preferred accommodation when traveling for pleasure, the following are the main reasons why:

23% of respondents like to stay at unique properties, 20% of them believe they offer more space, and 19% of them believe they offer more amenities (kitchens, washer/dryers, etc.)

Here are the top three reasons why 22% of U.S. travelers say short-term rentals are their preferred accommodation:



Unique Properties

Unique properties add to the overall travel experience



More Space

Short-term rentals often offer more space than other accommodations



More Amenities

Travelers value access to amenities like kitchens and washer & dryers



"I found a place near the water- lovely and clean and all that anyone could want or need at a good price."



"We found a property with an incredible location, host, design/layout and location. Felt at home."



"We love to stay in one place with the whole family under one roof."


AMENITIES



The following are the top five most important amenities for U.S. travelers when booking a short-term rental:

Kitchen, Free Parking, Balconies Patios & Deck, Washer & Dryer, Pools.

Less important factors are recreational or game rooms, fireplaces, and gyms. Investors should consider what travelers value when looking to buy new properties or to refurbish existing properties. Simply providing necessities can go a long way.

 ***Be sure to not only offer these special amenities and features, but also include them in your online listings to gain traction.***

What Short-Term Rental Amenities
Matter to U.S. Travelers the Most?



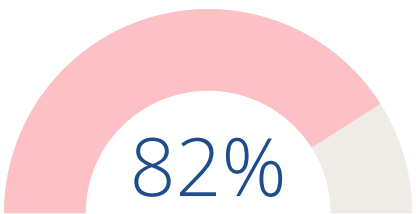
"My best experience was at the beach in a big house with two refrigerators, (the property) had every kitchen appliance, pot, pan, etc. you could ever need."



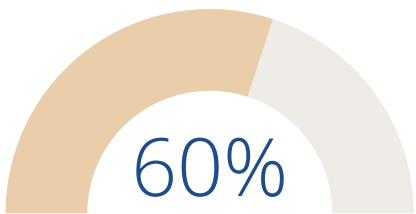
"My best experience was in upstate New York. We had everything we needed to just unpack and go."

UNIVERSAL PROPERTY FACTORS

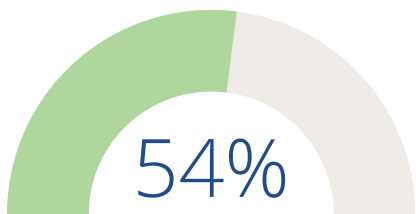
Irrespective of the location and the amenities, here are the top three factors important to travelers when selecting a short-term rental:



Good Reviews



Bed Size/Layout

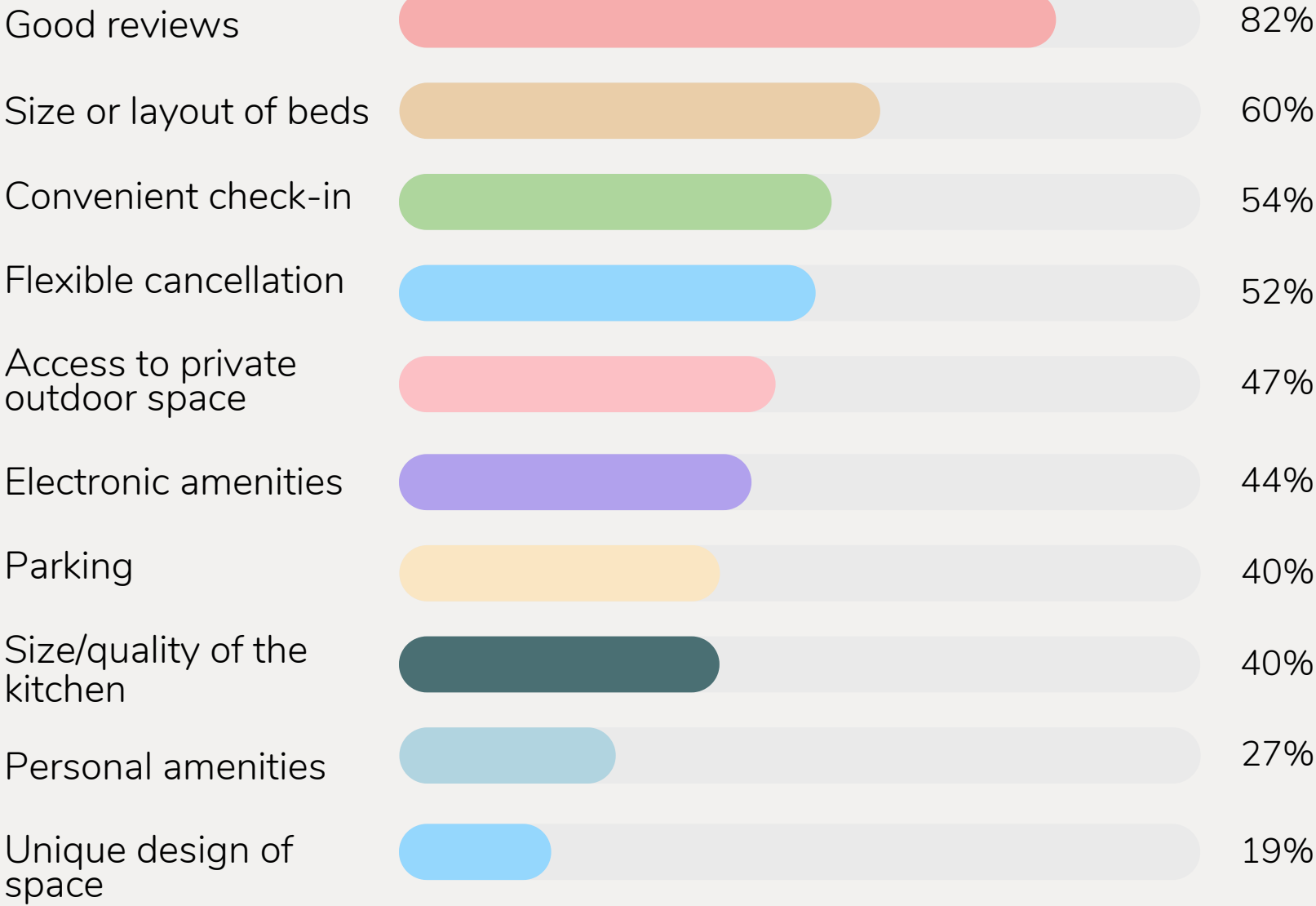


Convenient Check-in



We asked U.S. travelers what the most important factors are when selecting a short-term rental.

Here's what they said:



My best [STR] experience was in Ocean City, New Jersey where the hosts were wonderful and provided everything we needed."

Emerging Short-Term Rental Trends

In addition to uncovering powerful insights on factors and amenities investors can incorporate into their purchasing, staging, and listing strategies, our survey brought to light some emerging trends.

Investors can use these trends to stay ahead of the curve, as we anticipate steep competition in the next few years.

- **The Rise of Mid-Term Rentals**
- **Brands Moving into the STR Space**

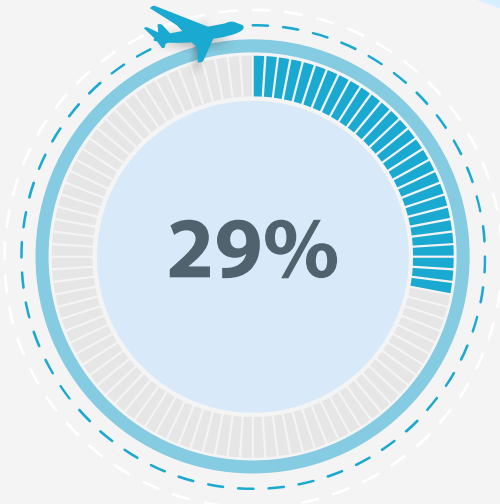
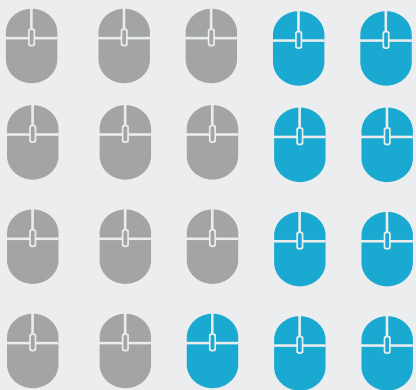
RISE OF MID-TERM RENTALS

A short-term rental typically is referred to as a stay for less than one month, and a long-term rental usually is a lease for 12 months or more. A mid-term rental is the middle ground option. Prior to COVID, mid-term rentals were primarily used for corporate housing and relocation. COVID normalized work from home with 45% of travelers now having more flexibility to work remotely because of the pandemic. With the option to work from anywhere, travelers are starting to bring work with them. When asked about their level of interest in booking a short-term rental property for an extended period of time while working remotely, here is what survey respondents said:

- Extremely or Very Interested: 29%
- Moderately Interested: 25%
- Slightly interested 13%

Further, more than 90% of respondents said they would consider booking a vacation rental property if they needed a temporary place to stay for one month or longer.

45% of U.S. travelers report having more flexibility to work remotely because of the COVID-19 pandemic.



Nearly one-third of those travelers said they would be extremely or very interested in booking a short-term rental property for an extended period while working remotely.

With the right tenant, mid-term stays are great for investors because they potentially reduce property wear and tear, reduce vacancies, and can significantly increase income during slower seasons.

Investors can capitalize on this trend by highlighting this option in their listings and offering discounts for stays longer than a month.



BRANDS SLOWLY MOVING INTO THE VACATION RENTAL SPACE

Recognizing the popularity of Airbnb and VRBO, hotel chains entered the vacation rental game. Marriott now offers Marriott Villas, Four Seasons offers Private Retreats, and there are other brands on the market. Although Marriott has been in the space since 2019, travelers do not appear to be familiar with these options, though there seems to be heavy interest:

- **59%** of respondents have not heard of brand-owned STRs
- **88%** of respondents have not stayed at a brand-owned STR
- **92%** of respondents are at least somewhat interested in staying in a brand-owned STR

These findings tell us it is essential for vacation rental owners to take our survey feedback to heart, so they can stay competitive not only with other mom and pop vacation rental owners, but also with brand-owned rentals.



Overall Findings

The future is bright for vacation rental owners, as we continue to see the industry draw more and more travelers. Of the U.S. travelers who have already stayed at an STR, the vast majority have had positive experiences (84%).

Investors can continue to thrive by purchasing properties in locations and with amenities that appeal to travelers. Most importantly, investors can offer fantastic experiences in any property.

As one traveler so nicely put it: “My best short-term rental experience was great due to the owner/managers of the property. They had a lot of free amenities including free parking for my family. They left a fruit basket for us to enjoy also.”

SURVEY METHODOLOGY AND DEFINITIONS

The findings presented in this article are the result of a May 2022 study of 2,033 U.S. adult travelers with disposable income that travel at least once a year, conducted by Visio Lending.

(Confidence Level: 95%, Margin of Error: 2.2%)

Audience Definitions

Audience: U.S. adult travelers with disposable income

- Adult = 18+
- Traveler = Takes at least one vacation per year
- Disposable income = Annual HHI of \$67K or higher
- \$67K is the 2020 median HHI as determined by the U.S. Census



ABOUT VISIO

Visio Lending is the nation's premier lender for buy and hold investors offering, long-term loans for SFR and commercial rental properties, including vacation rentals.

We couple our laser-like focus and streamlined process to provide a financing experience that's as simple and pain-free as possible. With innovative technology and an experienced team, we guide professional investors through the process of finding and securing rental loans best suited to their property and financial goals.

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