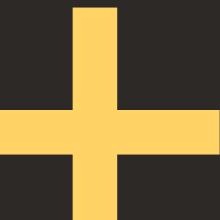
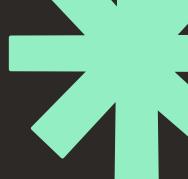


Hostaway

2026

SHORT-TERM RENTAL REPORT





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Hostaway

THAT'S A WRAP ON 2025

A letter from our CEO, Marcus



Adopting artificial intelligence (AI) tools has become the norm in 2025. No longer is AI an optional add-on; it has, and will increasingly be, embedded into your everyday workflows. This is true for many companies, Hostaway chief among them.

We are actively pursuing the awesome efficiencies of AI to deliver on our guiding mission: build the best short-term rental PMS in the market to help you grow your business. This is critical for Hostaway's success just as much as it is for that of our customers—after all, your success is our success.

I predict those who don't take the time to deeply understand, adopt and deploy AI will go out of business in five years. This is not an overstatement. With each passing month, if not week, more and more short-term rental operators are becoming astute AI users. If you do not count yourself among those operators, you have already fallen behind the pack.

My call to action for everyone reading this is to experiment and grow comfortable with how LLMs (i.e. ChatGPT, Gemini) function. Start using them for everyday queries and tasks, notice how they source and convey information. Not only will this help your facility with the technology, you will also begin to uncover what it would take for your business to rise to the top of LLM results.

While you're running your own experiments, we'll be hard at work embedding AI seamlessly into Hostaway's platform—helping you automate and optimize your business like never before. We can't wait to achieve success together in 2026 and beyond.

Marcus Rader,
CEO & Co-Founder at Hostaway

2026 SHORT TERM RENTAL REPORT

EXECUTIVE SUMMARY

326 short-term rental operators from **46 countries** answered our survey between October and November '25. This is the third edition of our annual report; the data from which reveals **fascinating year-on-year trends**.

AI Adoption among our respondents leapt to **60.7%** in 2025 from **54%** last year and **46%** in 2023. This rate of adoption skyrockets to nearly **80%** among those managing 51 or more properties.

The most-cited applications of AI have remained consistent year-on-year-on-year: **guest communication, marketing and pricing**, resulting in real and measurable cost and time savings, particularly for larger managers.

Increased AI adoption is becoming all the more important as competition across nearly every market intensifies. **Nearly three-quarters (73.6%)** said their market is more competitive than last year. This is in line with 75% of those surveyed reporting the same in 2024.

Regulatory impact is mixed in 2025: while **56.4%** of respondents reported no material impact, **40.5%** reported a negative impact, underscoring the wide variation in rules and enforcement across markets.

Despite increased competition and a dynamic regulatory environment, STR owner/operators have a positive outlook for 2026. **Fifty-nine percent (58.9%)** expect occupancy rates (**OR**) to increase over the next 12 months; with **58%** expecting an **increase** in ADR.

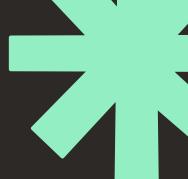
The bulk of these increases might very well come from direct booking, which data shows is an underutilized channel. Roughly, **two-thirds (62.3%)** generate less than 25% of bookings directly, and 18.4% get none at all.

It is fair to say that the opportunities, and challenges, in our industry have never been so great. At Hostaway, our mission is to be there alongside you for your journey.



Hostaway





2026 SHORT TERM RENTAL REPORT

DON'T MISS OUR 2026 STR PREDICTIONS WEBINAR

WEBINAR

2026
Short-Term
Rental
Predictions

Hostaway (::) LIVE

[WATCH THE WEBINAR](#)

Throughout this report, keep an eye out for quotes from the experts who joined our annual predictions webinar. With over 100 years of combined hospitality experience, if you want a peek into the future, make sure to check out the full webinar!

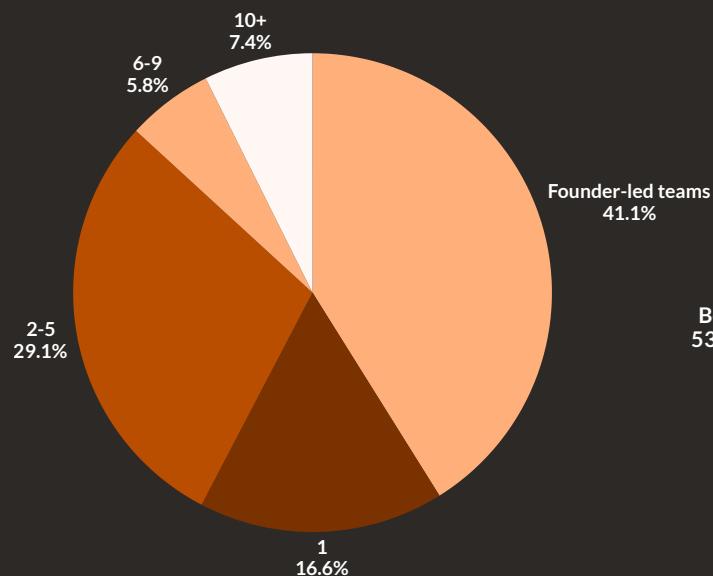
MARCUS RADER | HOSTAWAY
ANDREW KITCHELL | WHEELHOUSE
SIMON LEHMANN | AJL ATELIER
JASON SPRENKLE | KEY DATA
ROEMER VISSER | BOOKING.COM
STEVE SCHWAB | CASAGO/VACASA
KORYN OKEY | BREEZEWAY
JESSICA GILLINGHAM | ABODE WORLDWIDE



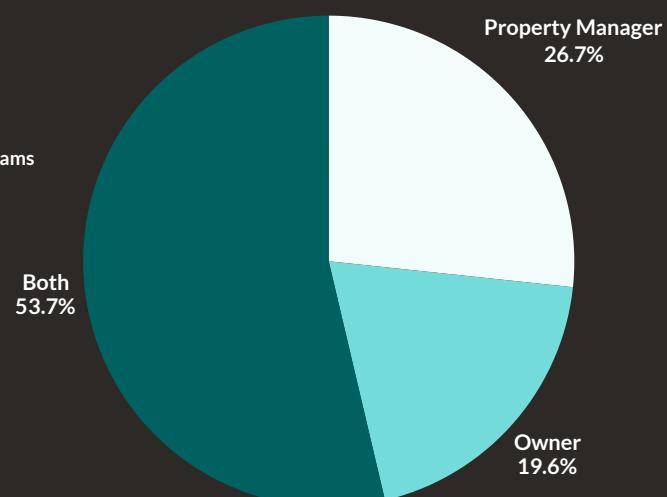
PART ONE

WHO WE SURVEYED

Number of employees

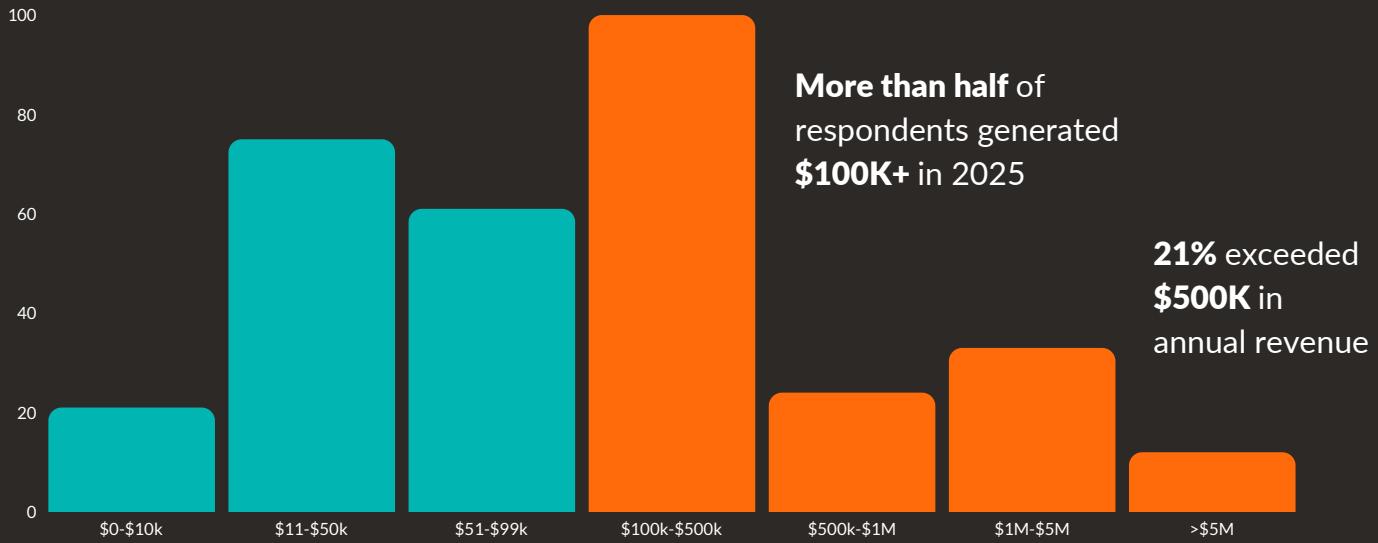


Operating model



The 326 people who took part in our survey represent all types of short-term rental businesses, from solo operators to large companies working in many markets. More than half use a mix of owner and manager roles, and over half made at least \$100,000 in 2025. One in five earned more than \$500,000. Even though team sizes differ, the scale and complexity of these businesses are becoming more similar across the industry.

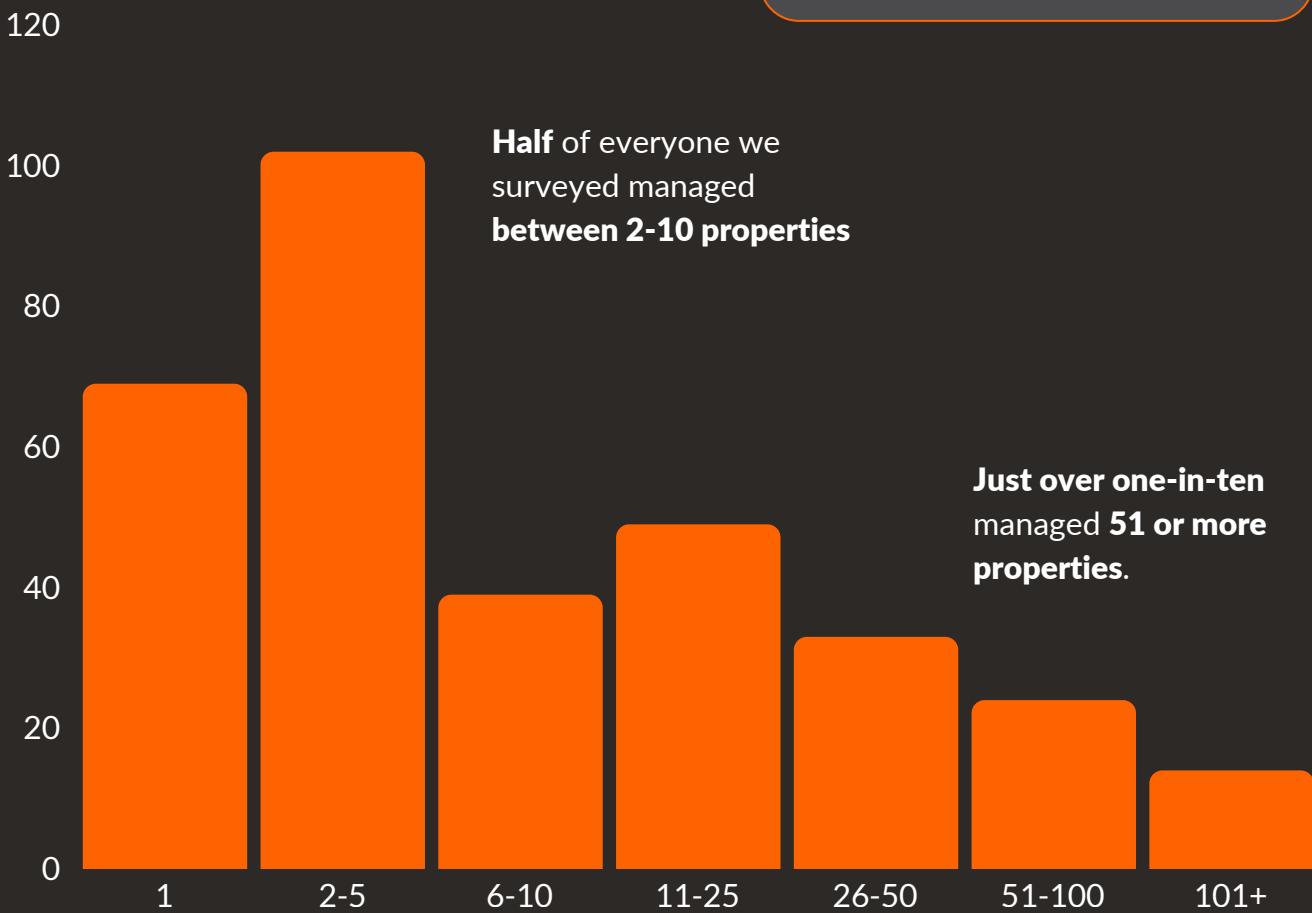
Annual Revenue



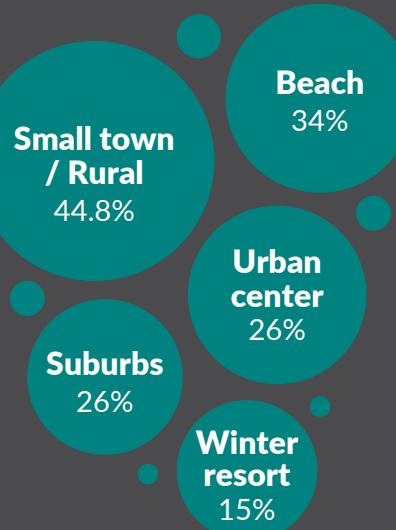
Number of properties managed

This year's survey respondents reflect the wide variety that exists among short-term rental operators. **Just over half (51.9%)** managed between 2 and 10 properties, while **12.5%** managed 50 or more.

What you'll find throughout this report is that irrespective of the number of properties, **STR operators** share many of the **same challenges**.



Most Common Property Locations



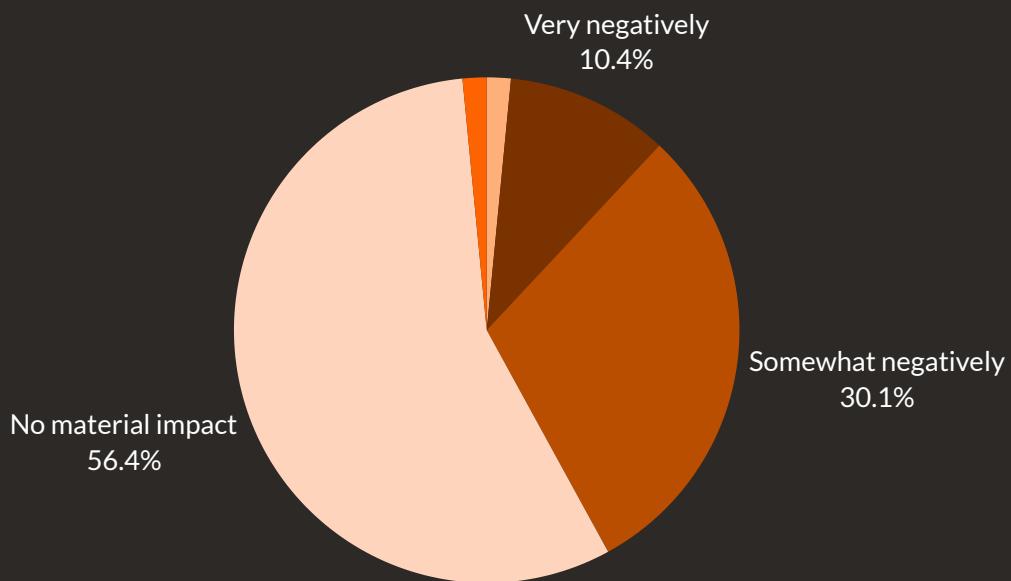


PART TWO

2025 YEAR IN REVIEW

How have local regulations affected your business?

Despite short-term rental regulations being a common fixture in the news, more than half of respondents (56.4%) said regulations had no material impact on their business. At the same time, 40.5% said regulations had a negative impact on their business in 2025. The takeaway? Regulation in 2025 wasn't a universal roadblock. But it wasn't a non-issue either. For many operators, the impact was manageable. For others, the effect restrained how they did business, depending mainly on where they operate.



“

Too many folks wait until regulation is at their door to take action (...) having conversations and creating alliances is going to be really important.

Koryn Okey
Breezeway

”

Competition is not getting any easier

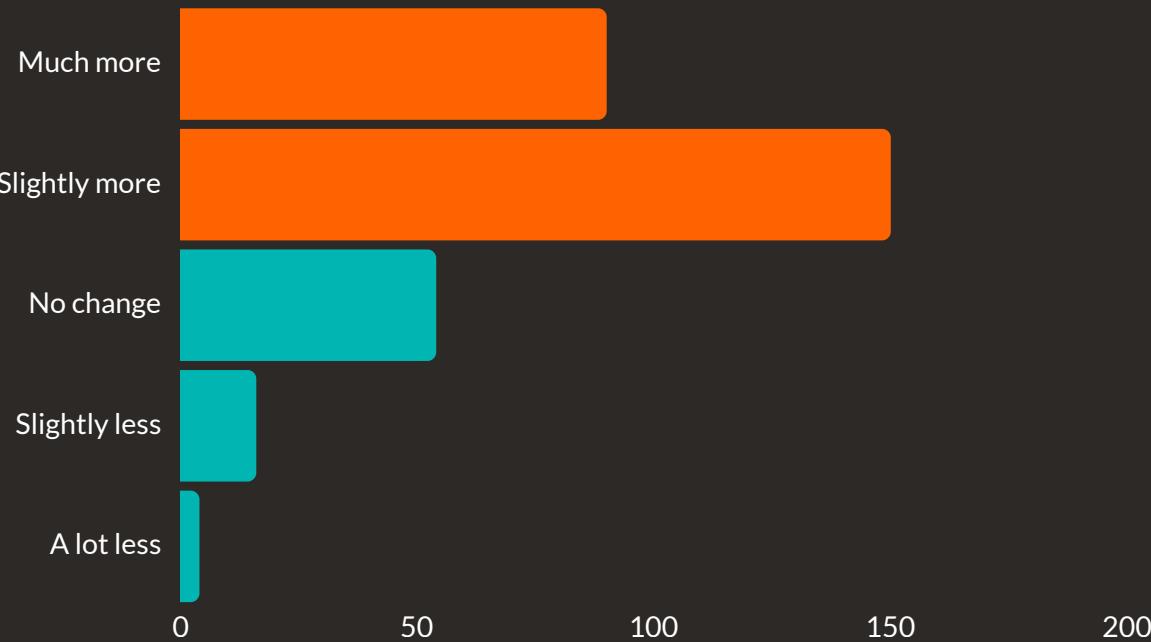
For a second year in a row, around three-quarters of respondents said competition had increased in their market over the past 12 months. With that said, only 28% of those surveyed said their market was “much more” competitive, compared to 40% who answered the same last year.

“

Growth is slowing down, so it's more competitive out there, without a doubt.

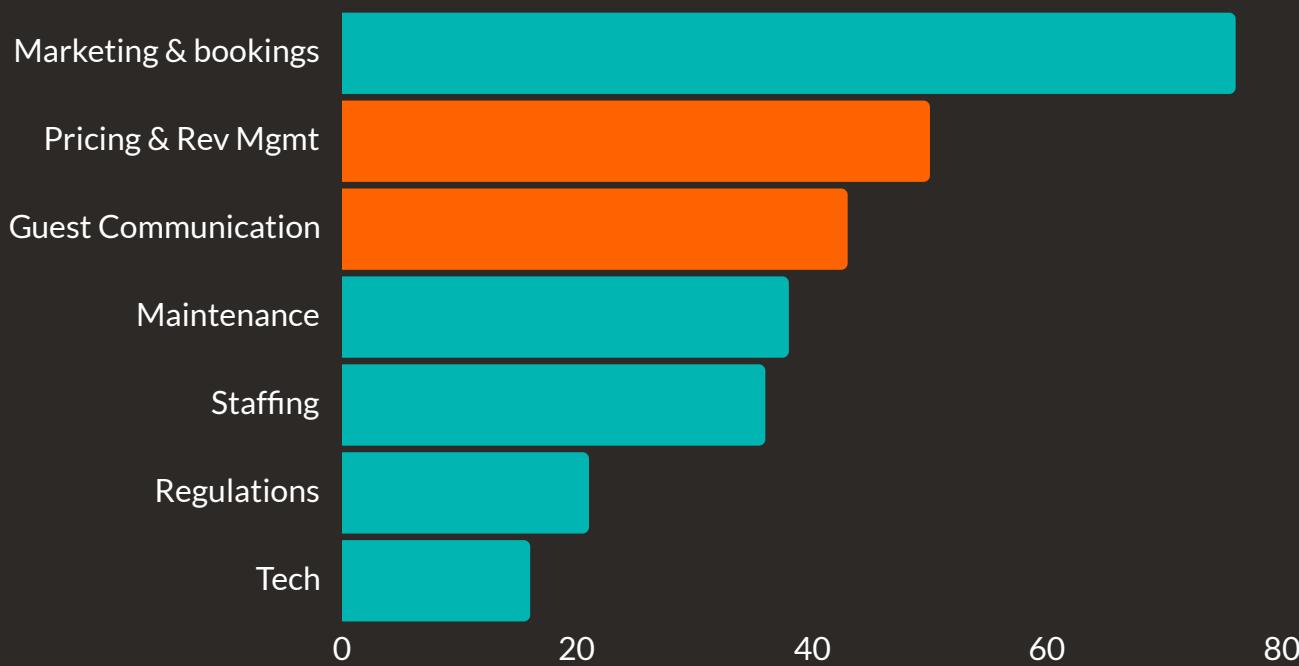
Simon Lehman
AJL Atelier

”



Top 3 Challenges

Property maintenance, though no doubt a recurring challenge for PMs, dropped from the #1 cited challenge to the #4 in this year's Report. Taking its place is Marketing/bookings, reflecting the ever-increasing level of competition in most markets. Competitive pricing and revenue management, and the all-important Guest Communication round out the top three in 2025.



**3 AI Prompts to
Supercharge Your
Short-Term Rentals**

[WATCH THE WEBINAR](#)



Where bookings came from

Airbnb remains, for a third year in a row, our respondents' most common booking channel, with Vrbo and Booking.com in third and fourth position overall. The results on Direct booking websites are mixed – with some PMs driving fewer bookings through owned channels than last year.

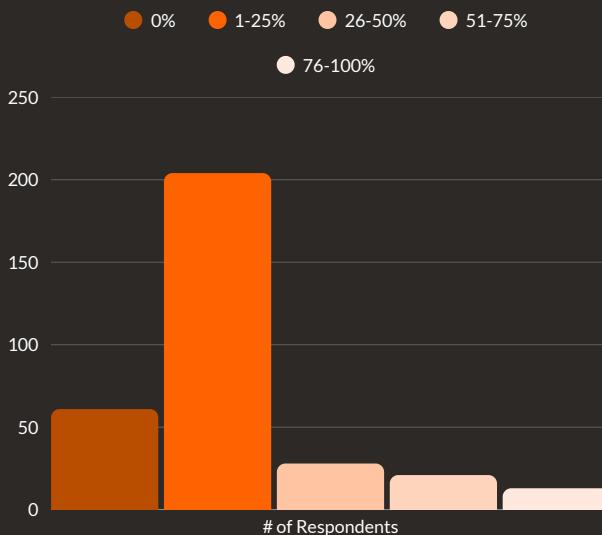


Expert Insight

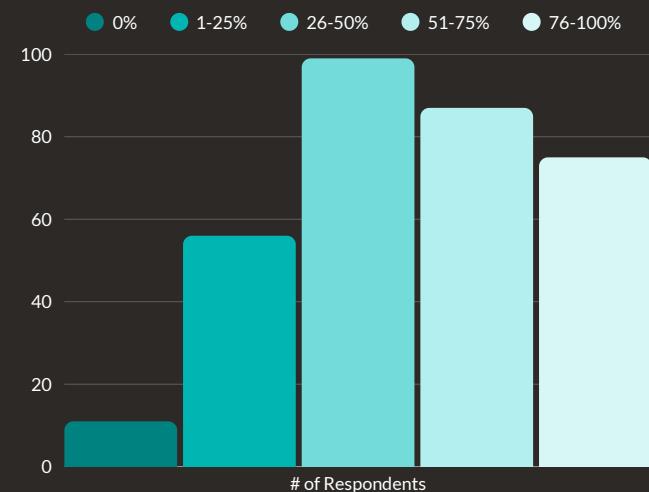
“You need to make a decision, do you want to understand how LLMs work or not? If not, you’re not going to be in business in five years.”

– Marcus Rader

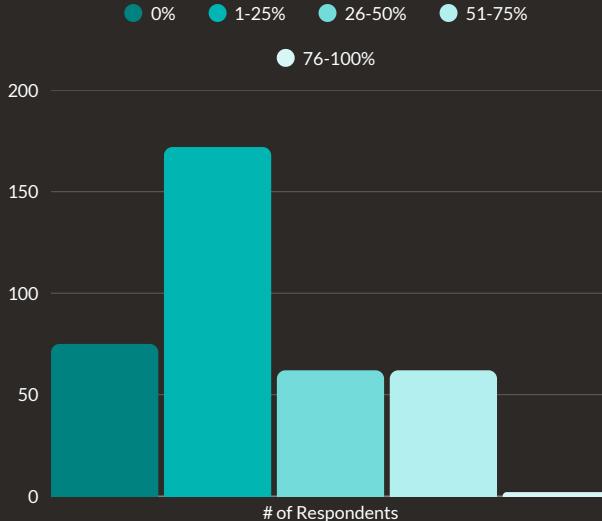
Direct booking



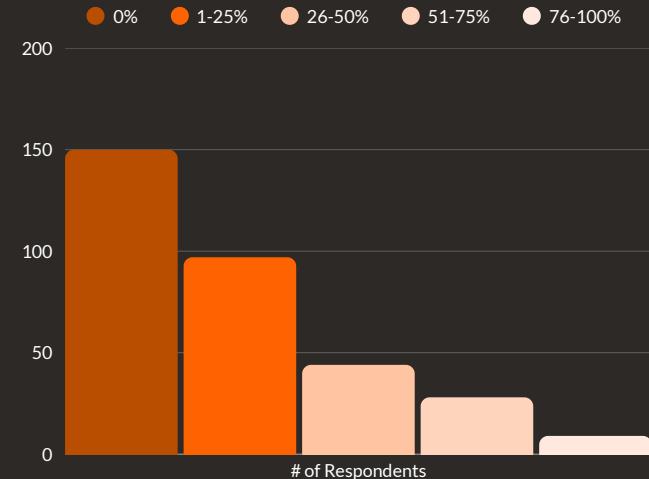
Airbnb



Vrbo



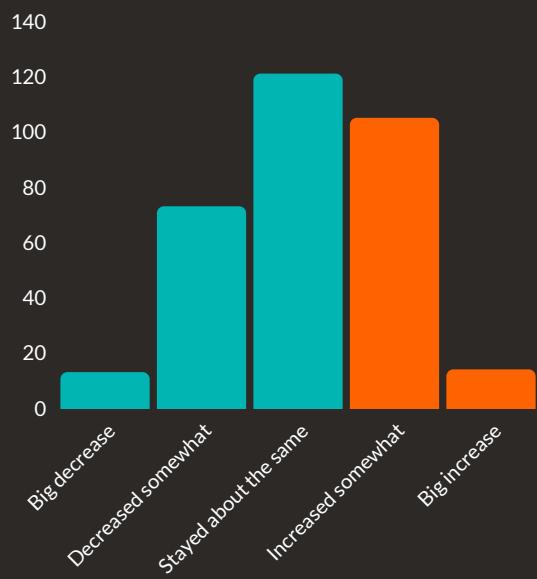
Booking.com



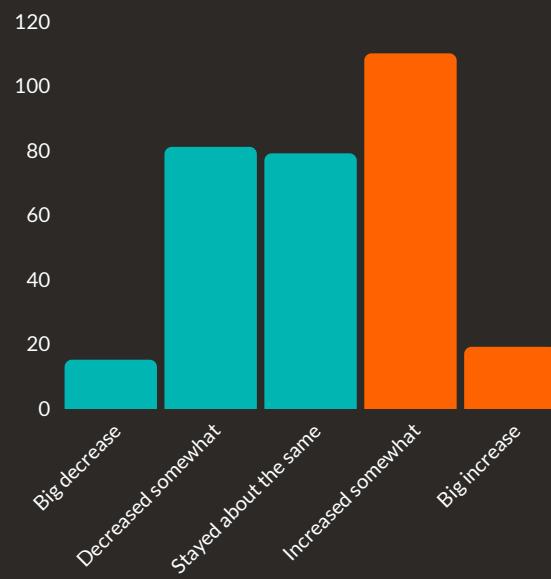
ADR & occupancy rate

Average Daily Rate (ADR) and Occupancy Rate (OR) was mostly flat among those we surveyed compared to last year. Thirty-seven percent (37%) said their ADR stayed about the same this year, and the percentage of those saying their OR was 51% or above remained mostly unchanged year over year.

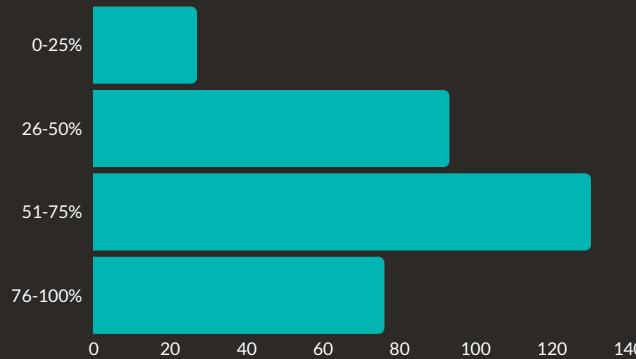
ADR '24 vs '25



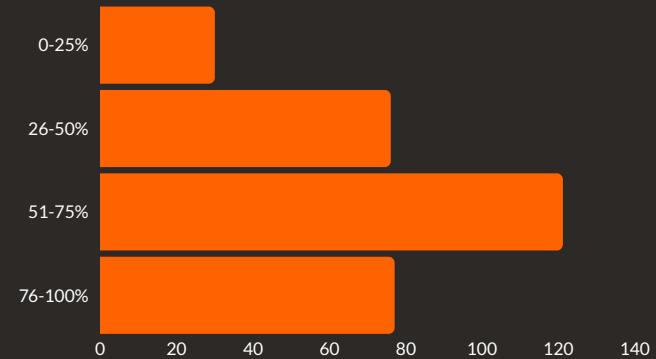
ADR '24 vs '23



Average occupancy rate '25



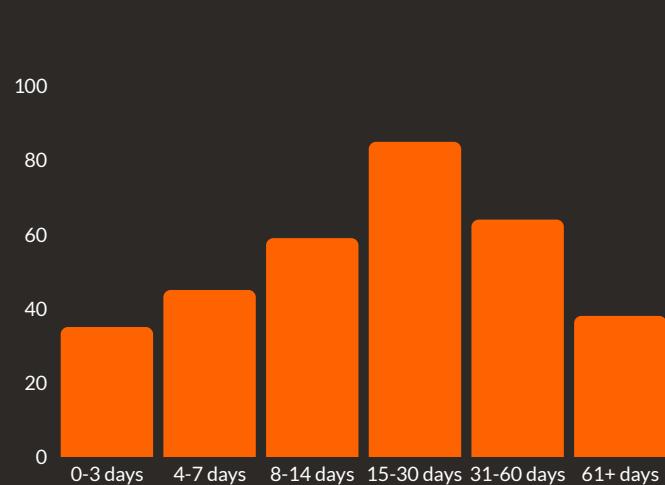
Average occupancy rate '24



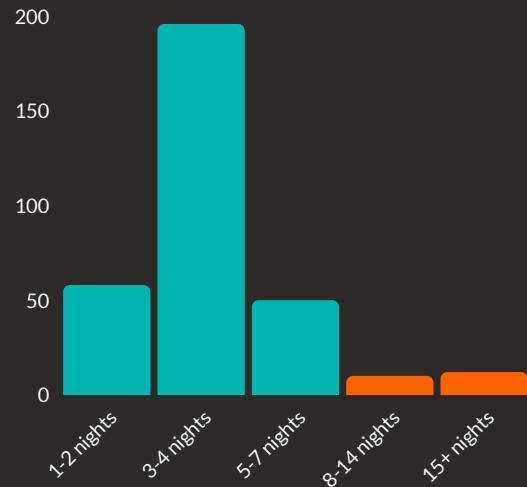
Average booking window & length of stay

As KeyData CEO Jason Sprenkle, said on Hostaway's annual predictions webinar, booking patterns are changing, with length of stays and booking windows becoming shorter. His team expects this trend to continue into 2026.

Average booking window



Avg. Length of stay



“

You've got to be careful in terms of how you're shaping your pricing — you cannot just assume the same historical pattern is going to play out.

Jason Sprenkle
CEO at KeyData

”



PART THREE

TACTICS & STRATEGIES

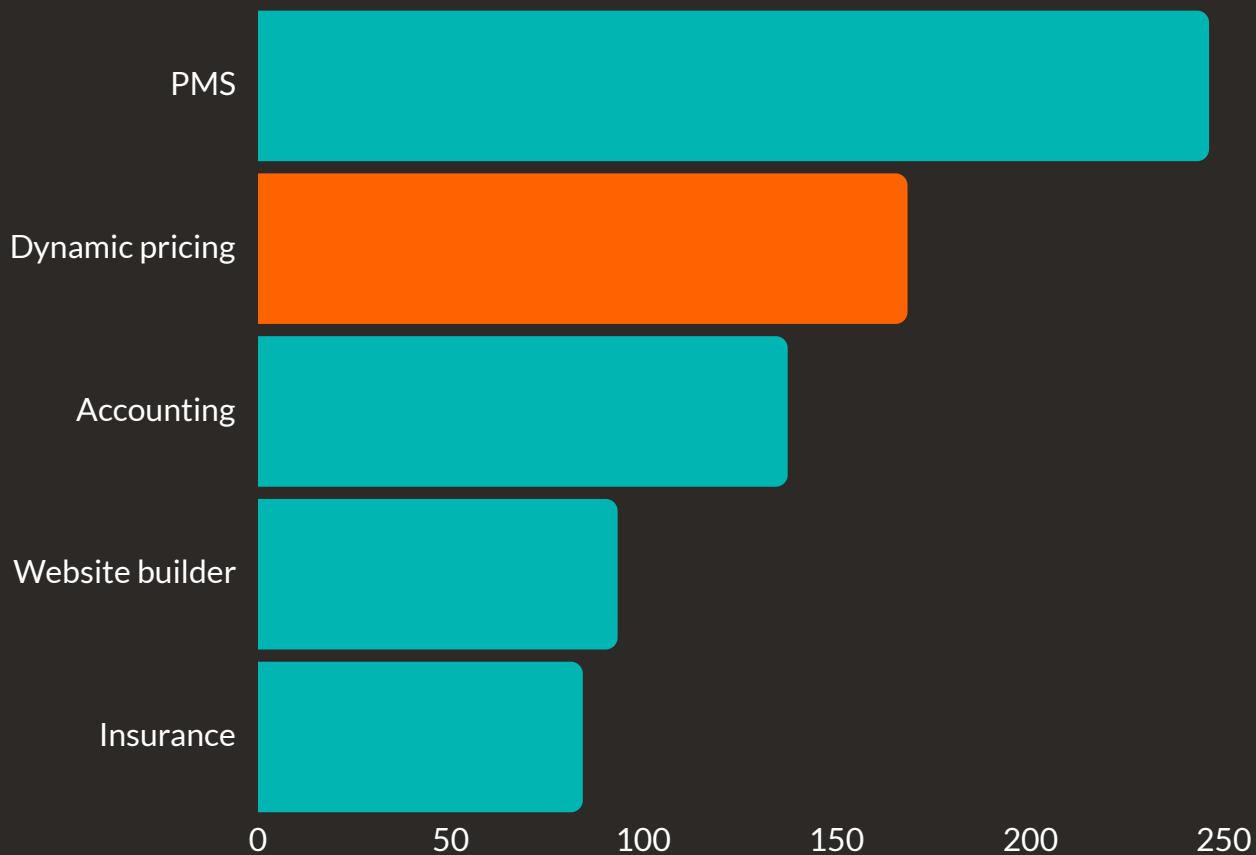
The tech stack

In what is by and large the most consistent YoY result, the top four most common software in respondents' tech stack are: PMS, dynamic pricing, accounting and website builder. With "insurance" rounding out the top five, PMs who count these five tools in their tech stack are in very good company.



BUSINESS INSIGHT

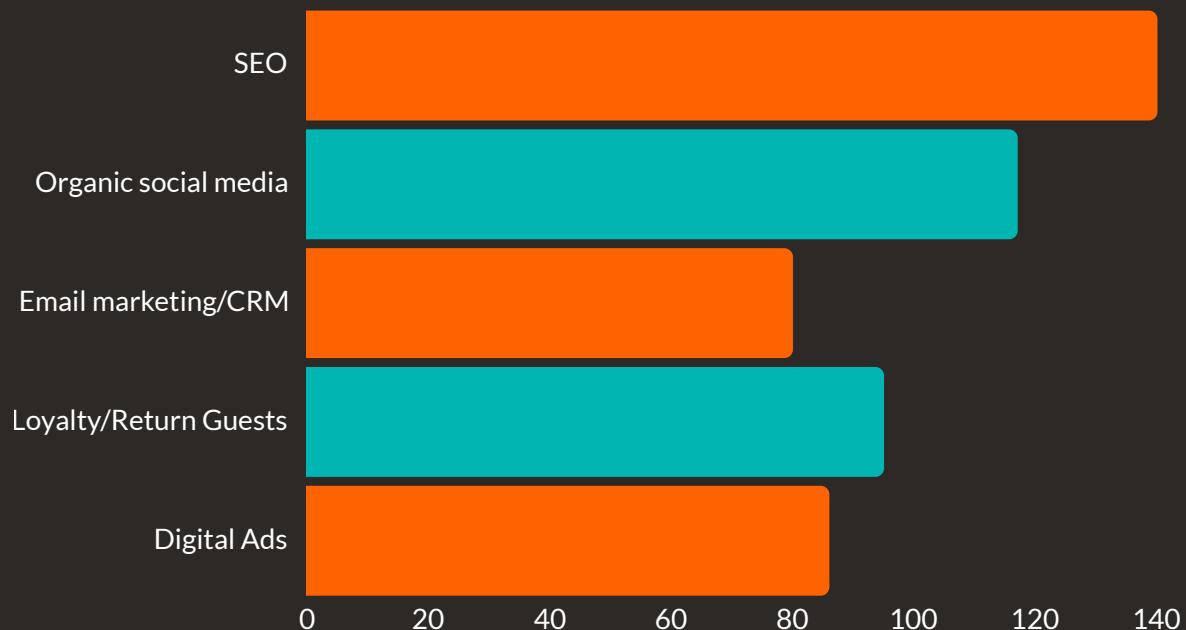
Internal Hostaway data reveals Hostaway Dynamic Pricing users enjoy a 25.1% increase in revenue per listing.



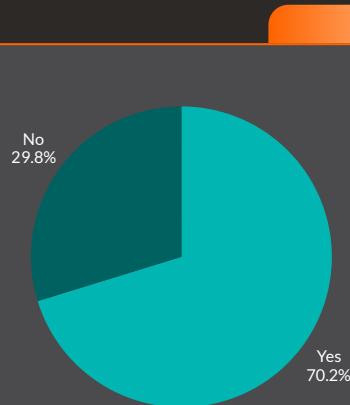
Direct booking strategies

With LLMs (like ChatGPT) increasing ability to surface hyper-local, niche experiences, direct booking websites with strong branding are more important than ever. The two most obvious ways to increase your brand's visibility? Invest in SEO and organic social media, the #1 and #2 most-cited direct booking strategies.

Then, once you acquire a guest through organic channels, loyalty programs and email marketing (the #3 and #5 most-cited strategies, respectively) are your ticket to making the most of your direct booking website.



Do you operate a direct booking site?



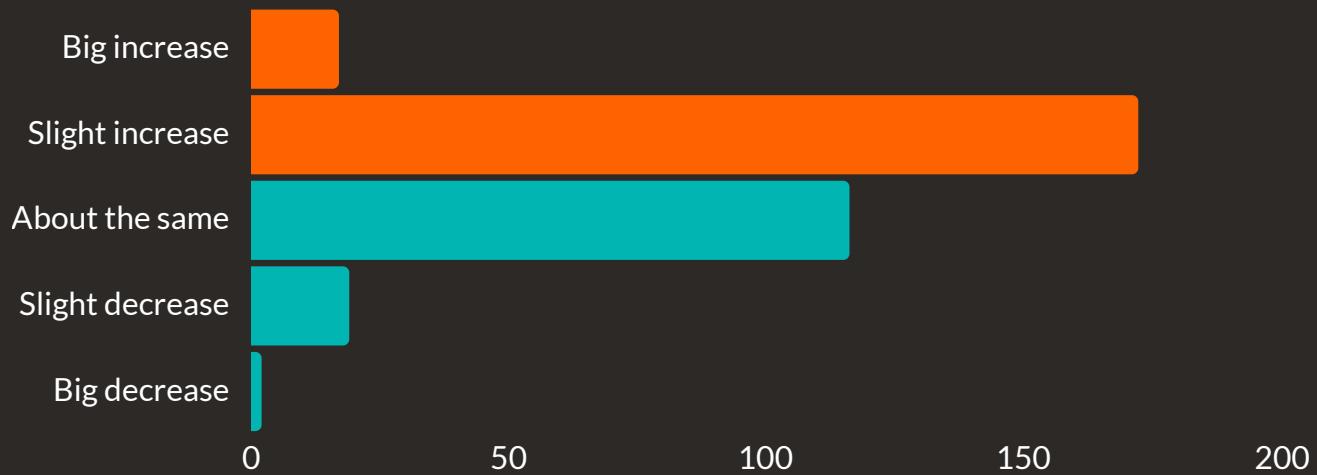


PART FOUR

LOOKING AHEAD TO 2026

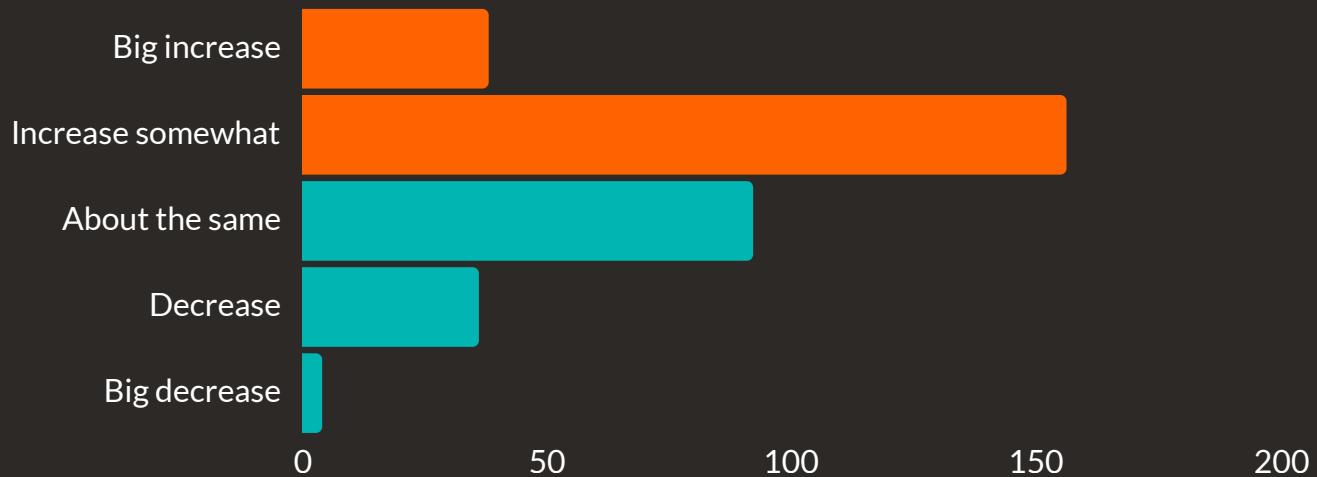
Predicted change in ADR

Cautious optimism abounds when it comes to expected change in ADR for 2026. While the number of respondents predicting a “big increase” is lower this year than last (17 vs 30), 52.7% said they expect a slight increase in ADR this upcoming year.



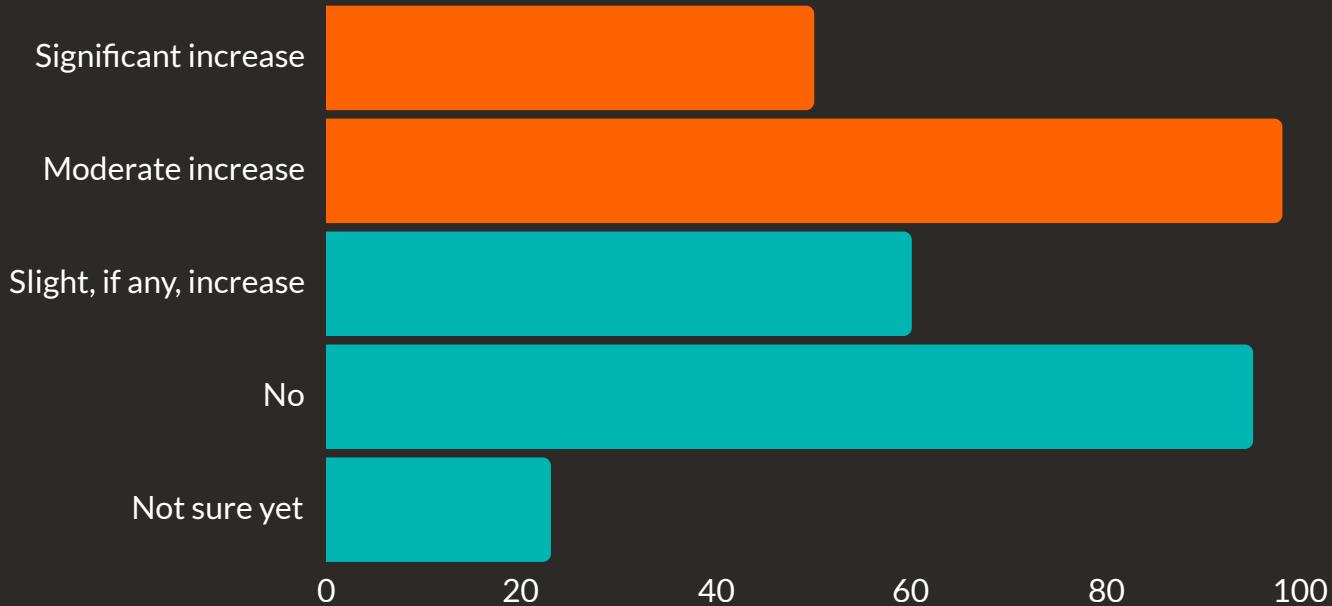
Predicted change in OR

With respect to occupancy rates in 2026, our respondents dropped the “cautious” qualifier and went headlong into full-blown optimism. Two-thirds (59.6%) say they expect a moderate or big increase in OR – a 10% increase from last year’s survey.



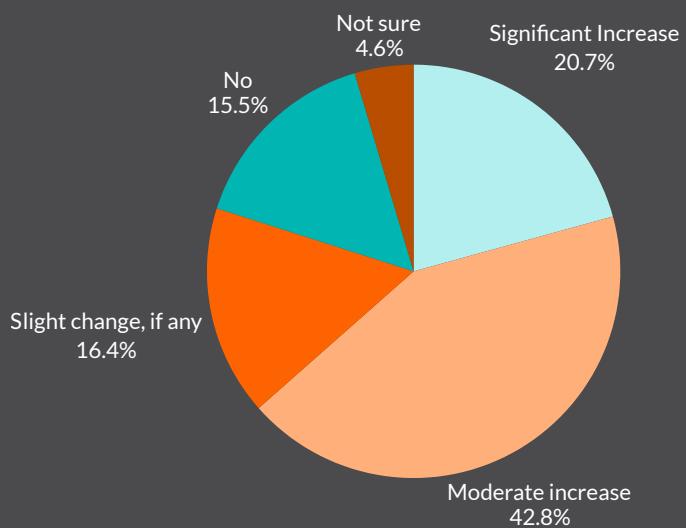
Are you planning to grow your inventory/purchase more properties in 2026

Fully 45% of respondents say they plan to add more inventory to their portfolio in 2026 with (30% moderate increase; 15% significant increase). This represents a meaningful decrease from last year when 63.5% said they intended on increasing their inventory – resulting from, perhaps, the perceived inventory glut in today's STR market.



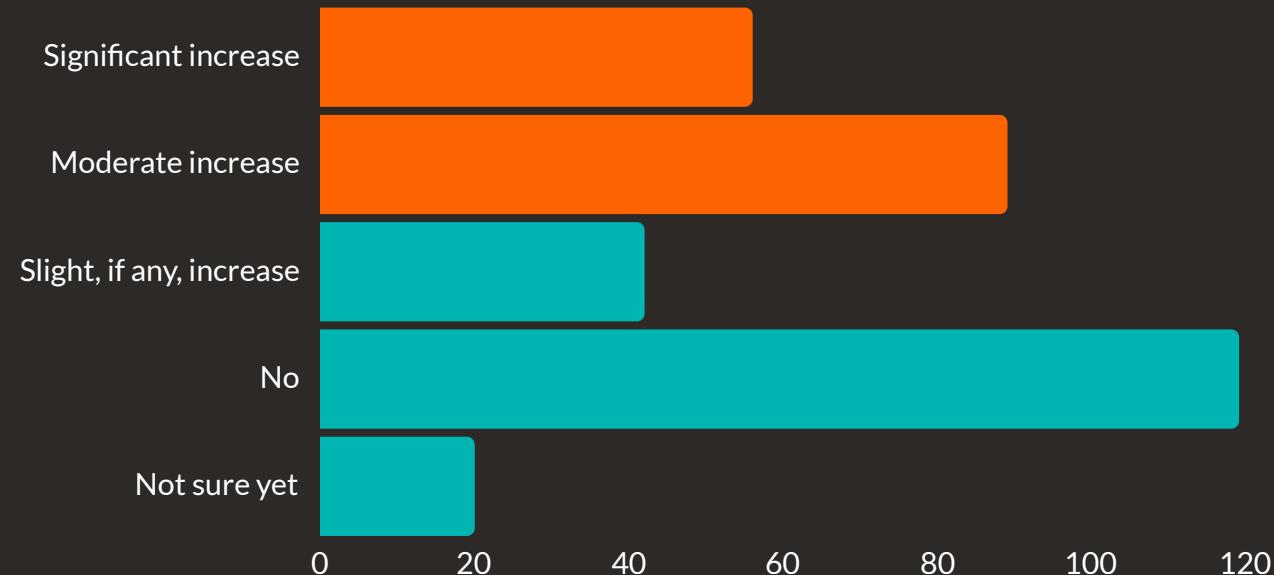
Are you planning to
grow your
inventory in 2025?

From
2024



Do you plan to acquire new owner clients in 2026

Forty-four percent of those we surveyed said they plan on acquiring new owner clients in 2026 (with 27% citing a moderate increase and 17% a significant increase). A significant minority (36.5%), however, said they would not acquire new owner clients in 2026.



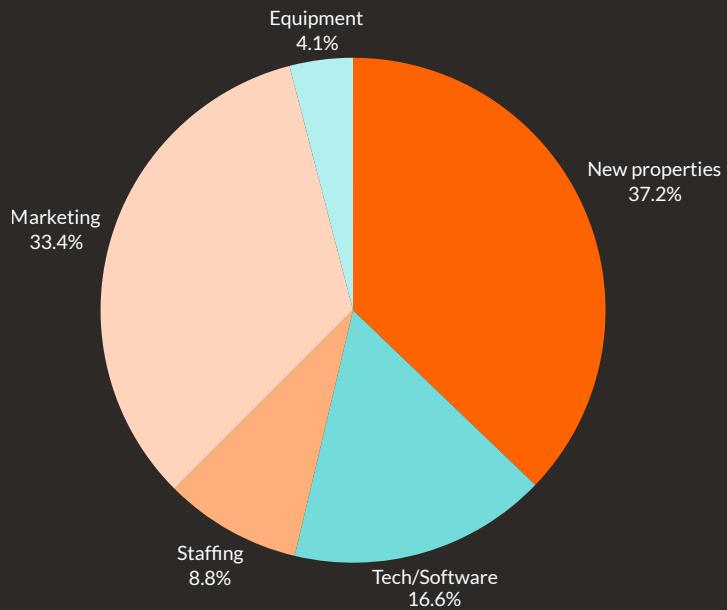
I think the performance gap widens in 2026 (...) you need to be able to say no to owners and supply that doesn't fit [your market].

Simon Lehman
AJL Atelier

Top areas of investment in 2026

A little over 37% of respondents said adding new properties to their portfolio will be a key area of investment in 2026. This is the third-straight year new properties has been cited as the #1 area for investment.

While that data point has remained consistent, those who cited “marketing” as an area of investment skyrocketed from 4.6% last year to 33.4% this year. As companies everywhere look to crack the AI code (i.e. how to appear in ChatGPT-style search results) it’s becoming increasingly clear that brand marketing is an important lever to pull on.



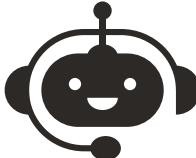
“**Brands are going to be one of the most important pieces of being found and being suggested [by LLMs].**

Steve Schwab
CEO at Casago/Vacasa



PART FIVE

AI IN 2026

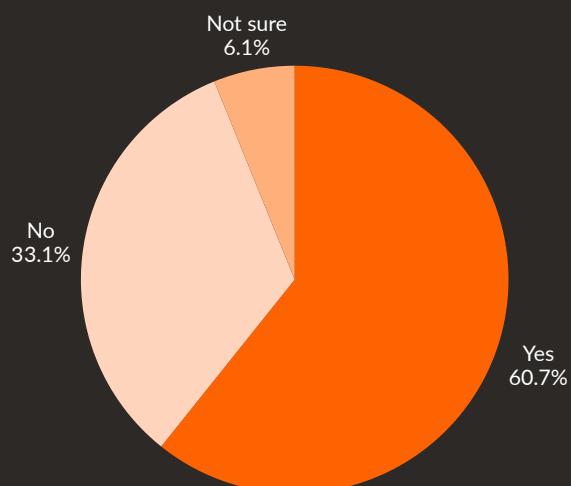


Did your business leverage AI in 2025?

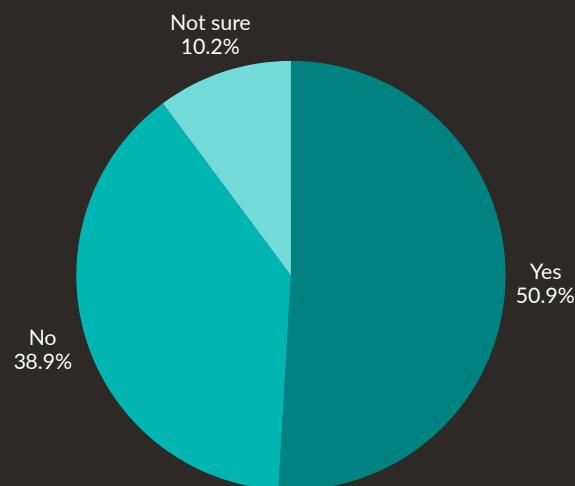
The trend line is clear: AI adoption among short-term rental operators is steadily and decidedly increasing year-on-year. When we asked this question in 2023, 46% of respondents said they used AI for business; that number jumped to 54% in 2024 – and now, in 2025, 60.7% of respondents say they use AI for business.

As in years past, the rate of adoption increases dramatically alongside the number of properties managed. Only half (50.9%) of respondents managing 10 or fewer properties adopted AI in 2025 – that number balloons to 70.7% among those managing 11-50, and nearly 80% among those with 51-100+ properties.

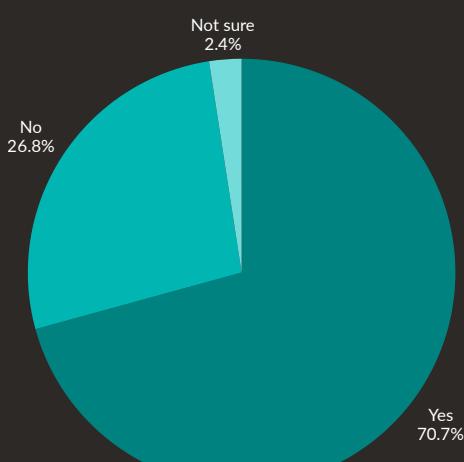
All respondents



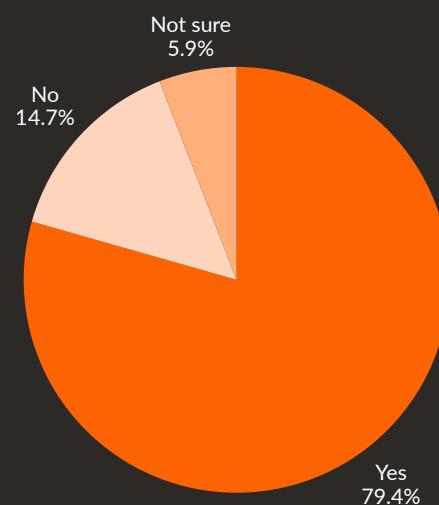
1-10 Properties



11-50 Properties

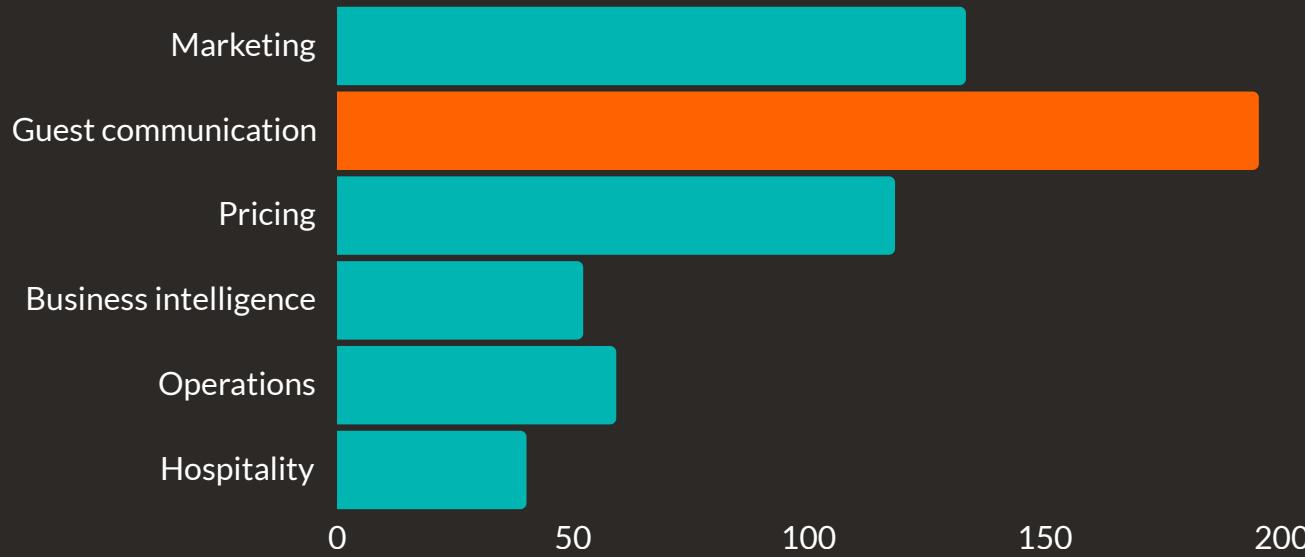


51-100+ Properties



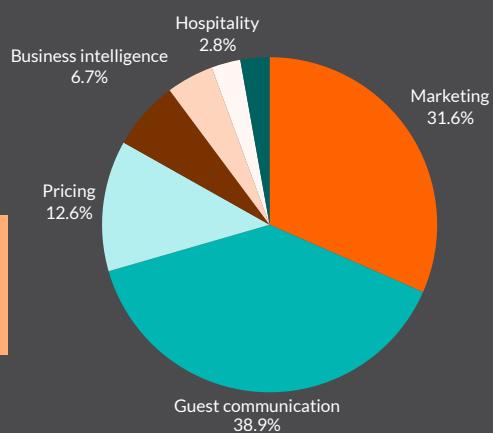
Where has AI had the biggest impact?

Guest communication has always been the most obvious application for AI in hospitality. Last year, 38.9% of respondents said they predicted guest communication as the biggest area of impact. In 2025, this prediction was realized in full, with 60% of all respondents citing guest communication as the space where AI has had the most dramatic impact.



Where do you think AI will have the biggest impact?

From 2024



“

Use [AI] to do a better job at talking to your owners and personalizing your guest experiences.

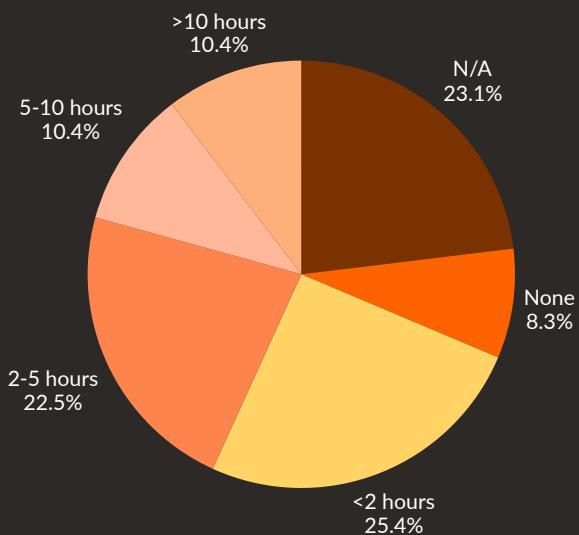
Jason Sprengle
Key Data



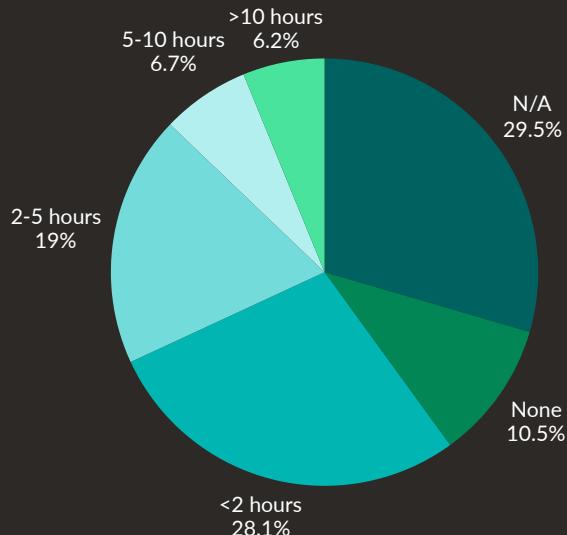
Weekly time savings thanks to AI

Forty-three percent of all respondents say they saved at least two hours of work weekly – fully double of the 20% who reported the same last year. Expectedly, realizations of time savings grow in lockstep with the number of properties managed. More than a quarter of those managing 50+ properties saved at least 5 hours per week in 2025 thanks to AI efficiencies.

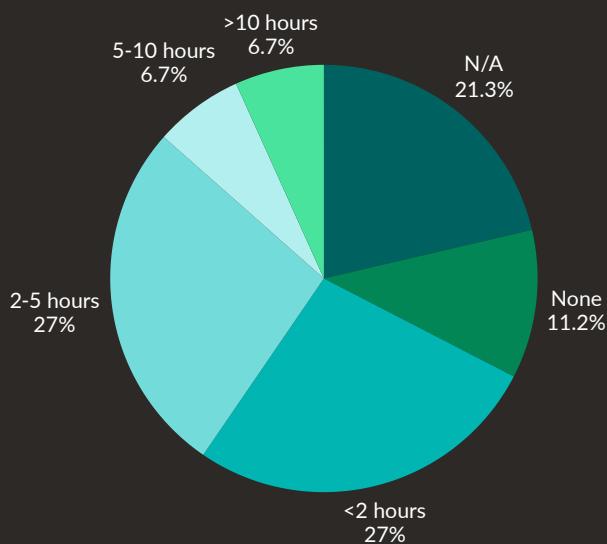
All respondents



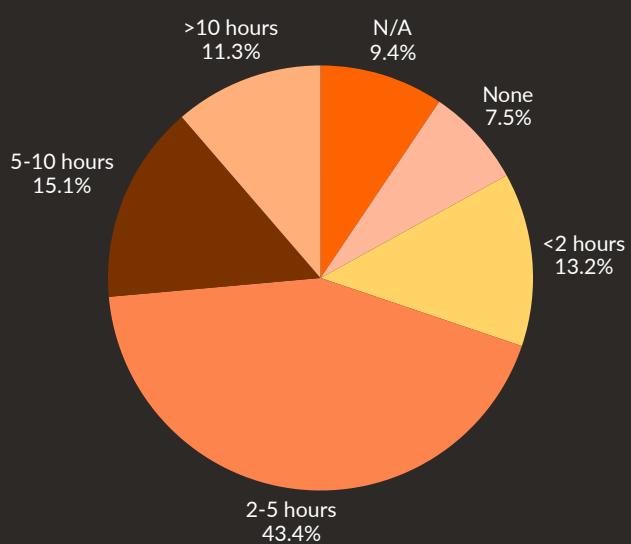
1-10 Properties



11-50 Properties



51-100+ Properties

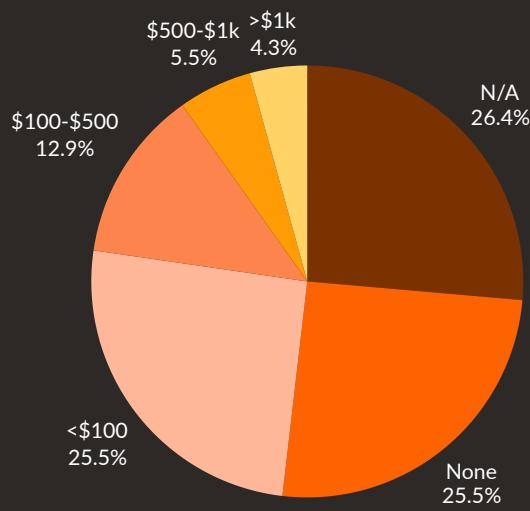




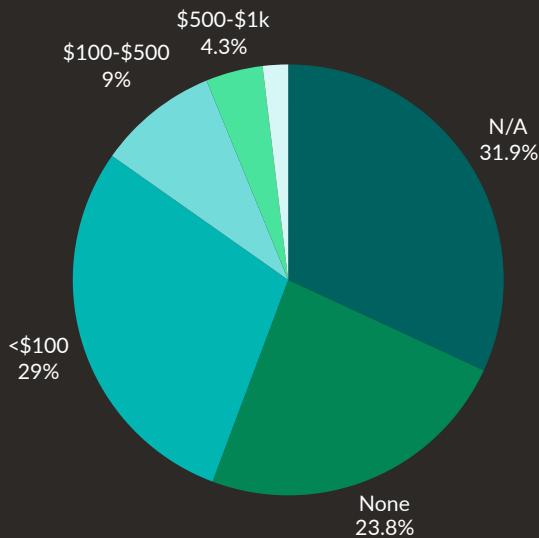
Weekly cost savings thanks to AI

'Time is money: a timeless idiom, not a mathematical equation. Assessing exact and direct AI-related cost savings was a challenge last year and continues to be this year. That said, more than one-in-five (21.2%) of 51-100+ property managers reported weekly cost savings of more than \$1k every week. Expect that number to grow higher next year for all STR operators.

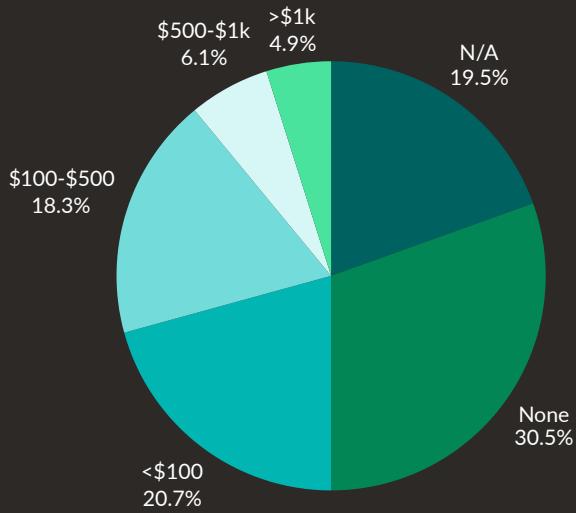
All respondents



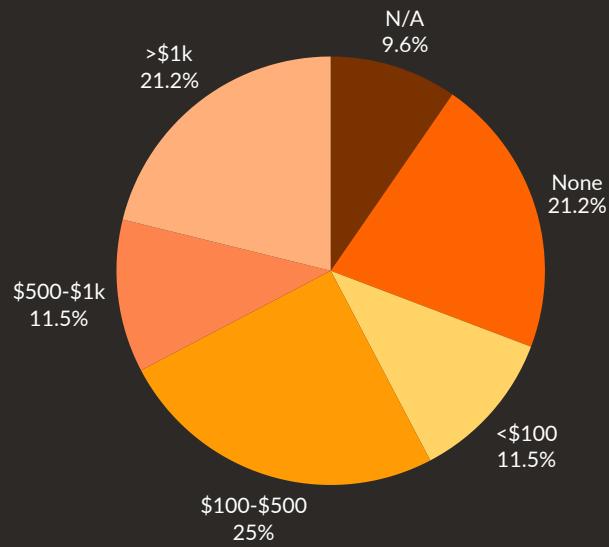
1-10 Properties



11-50 Properties

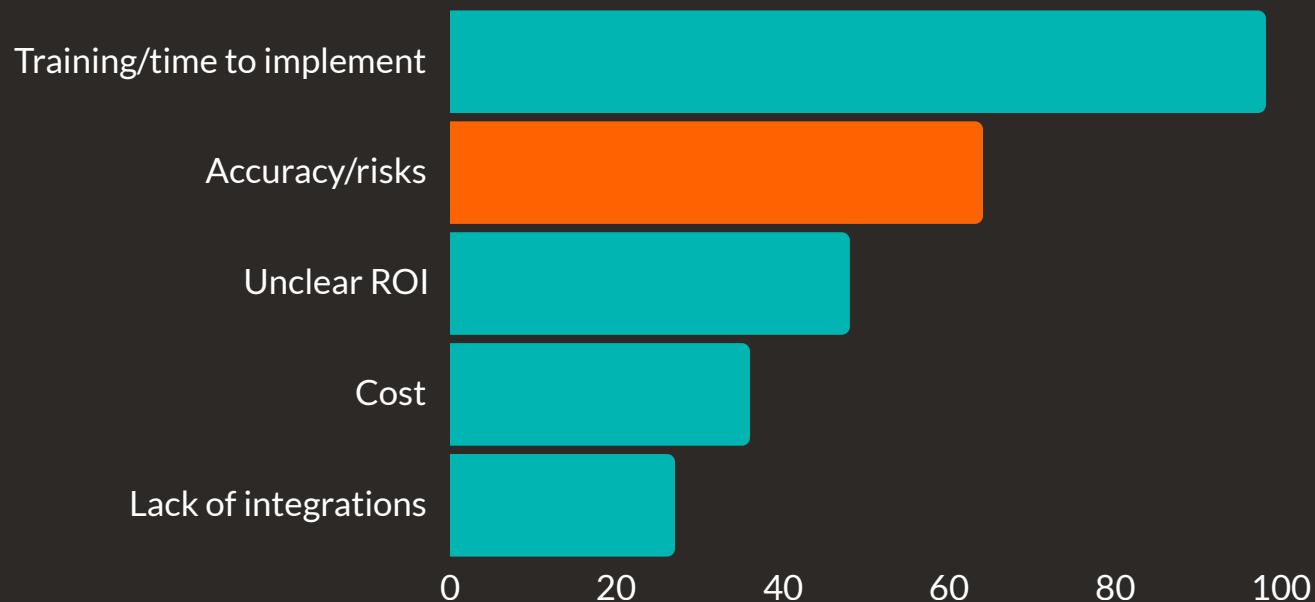


51-100+ Properties



What is the biggest barrier to greater AI adoption in your business?

Rare is the property manager in 2025 who isn't bought into the potential for massive AI-driven business gains. But the gap between conceptual buy-in and practical implementation can be wide. Thirty percent (30%) of all respondents cited training/time to implement as the biggest barrier for closing the gap. Only 19.6% say the risk of inaccurate information is the primary adoption barrier, reflecting growing confidence in AI to deliver reliable information.



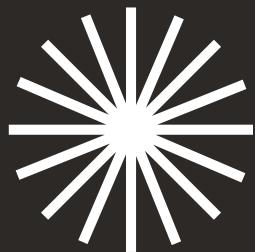
“
Use AI to break down the barriers of being afraid of AI, and start looking at the day-to-day practical applications.

Steve Schwab
CEO at Casago/Vacasa

Hostaway

2026

SHORT-TERM RENTAL REPORT



Book a demo and learn why Hostaway is the #1 rated short-term rental software

[BOOK DEMO](#)

